

World War III? Stalin Was Willing Papers Show He Urged Mao to Aid North Koreans Despite the Risks

By Walter Pincus
Washington Post Service

WASHINGTON — In early October 1950, as U.S. and South Korean forces advanced into Communist North Korea, the Soviet leader, Stalin, urged his Chinese counterpart, Mao, to send five or six Chinese divisions to aid Pyongyang even if it led to World War III, according to newly released Russian documents.

If a war is inevitable between the Communist giants and the Western powers, Stalin said, "then let it be waged now" and not years later when the alliance of Japan and America would be stronger, according to an Oct. 7, 1950, message.

That message was among the secret documents on the Korean War in the Russian Federation's presidential archives in Moscow that will soon be published in an issue of the Bulletin of the Cold War International History Project, based at the

Woodrow Wilson International Center for Scholars in Washington.

According to the documents, Stalin apparently believed that the Soviet Union and China could win a major war with the West.

"We will be stronger than the U.S. and England; while the other European capitalist states (with the exception of Germany, which is unable to provide any assistance to the United States now) do not present serious military forces," Stalin assured Mao.

In addition to shedding light on Russian attitudes at the time, the documents are also noteworthy because they challenge some long-held views on China's entry into the Korean War.

The previously accepted account of Mao's decision to aid the North Koreans was based on another document, dated Oct. 2, supposedly from Chinese archives and previously published by the Beijing

government. In it, Mao said in a telegram to Stalin, "We have decided to send some of our troops to Korea under the name of Volunteers to fight the United States and its lackey," South Korea.

But the Russian version of the Oct. 2 message to Stalin suggests for the first time that Mao hesitated about entering the war. Instead, the Chinese Communist leader told Stalin that he and his colleagues had "originally planned to move several volunteer divisions to North Korea" but had reconsidered because "such actions could elicit extremely serious consequences" including "open conflict between the U.S. and China, as a consequence of which the Soviet Union can also be dragged into war that would be extremely large."

A week later, the documents show, Mao had changed his mind, and he sent his troops into Korea to battle the Americans and their allies in a critical intervention that preserved North Korea as a Communist state.

After analyzing the two Oct. 2 documents, a Soviet scholar, Alexander Y. Mansurov, said that he believed the Russian version was more reliable.



A Bosnian soldier, who lost a leg, seeing U.S. troops arrive Wednesday in Tuzla.

NATO's Turn In Bosnia As UN Flags Come Down

Alliance Takes Charge
Of a Tenuous Peace
In a Ravaged Land

By Roger Cohen
New York Times Service

SARAJEVO, Bosnia-Herzegovina — After repeated humiliation and the death of 107 of its soldiers, the United Nations peacekeeping mission to Bosnia ended Wednesday, leaving a ravaged country tenuously at peace and the virtual certainty that such an operation will never again be attempted on such terms.

The mission began in confusion almost four years ago and was continuously beset by the basic conundrum that there was no peace to keep in Bosnia. It ended, after great sacrifice, with Bosnian sovereignty preserved on paper but little more, and the blue-and-white flag of the United Nations stained with the blood of thousands of civilians it had vowed to protect.

As the UN flags at the Sarajevo airport came down, an American officer took command of international military operations Wednesday and declared that the NATO forces under him had come not "as a bunch of cowboys looking for a fight" but "on a peaceful mission."

If the mission, planned to last for one year, is successful, the Clinton administration will be able to go into elections next year with its main foreign policy headache largely resolved. But if the peace concluded in Dayton, Ohio, last month unravels and American casualties prove heavy, the domestic price for President Bill Clinton could prove to be high.

In a somber ceremony at the airport, the scene of some of the worst early battles of the war and still a no man's land between rival parts of the city, the commander of United Nations forces in the former Yugoslavia, General Bernard Janvier of France, announced that military authority had been transferred to the so-called implementation force of the North Atlantic Treaty Organization.

The NATO commander, Admiral Leighton Smith, was not present at the moment of the handover because fog at the airport prevented his plane from landing. He arrived four hours later by helicopter, and the ceremony was reconvened to allow for speeches by all sides.

It was a moment of unity and mutual congratulation between the United Nations and NATO after a war long marked by differences between them over what measure of force, if any, should be used to stop the war.

In effect, the messy deployment of UN forces here reflected the confused response of the world to the sudden outbreak of a European war that threatened the vital interests of no major power but continuously flouted Western values, confounded the initial optimism of a Europe no longer divided, and threatened a wider Balkan conflict.

The response — feed the victims, contain the war, and create a few "safe areas" for Muslim civilians to demonstrate that a certain barbarism will not be tolerated by the United Nations — fulfilled some of its aims. But the fall of the "safe area" of Srebrenica last July, with its ensuing Serbian massacre of Muslims, finally demonstrated that the enterprise was flawed beyond repair.

"We thought deterrence could be based on the moral authority of the United Nations, but we learned that moral authority is not enough," said Antonio Padanya, civilian chief of the UN Bosnia mission. "When the Serbs realized that there was a 155-millimeter cannon on top of Mount Igman, they understood the language."

It took more than three years of war, however, before the United Nations deployed such guns on the mountains southwest of Sarajevo this summer, and by then the Bosnian state recognized in April 1992 by the United Nations was in shreds, much of it in the hands of separatist Serbs.

There was one central problem over which successive UN military commanders and civilian leaders agonized as the killing of over 200,000 people went on. How could the "neutrality" or "impartiality" many of them believed to be essential to a peacekeeping mission be preserved in the face of

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Seoul, Jittery, Sees a Menace in North

By Kevin Sullivan
Washington Post Service

SEOUL — A dangerous winter has arrived in North Korea.

President Kim Young Sam of South Korea and other officials have warned that hunger and economic desperation could tempt North Korea's leaders to consider a military strike against South Korea.

But many here say that although North Korea's food shortage is extremely serious, it is not dire enough for the North Koreans to start a war.

The only really predictable thing about North Korea is that it is unpredictable, and even optimistic analysts have urged that it should be given more food aid this winter but that it must be handled with extreme caution.

NEWS ANALYSIS

"We better not underestimate the basic, fundamental problems of North Korea at this moment," said Kil Jeong Woo, a columnist for the Joong Ang Daily News who was once an official of South Korea's

National Unification Board. "We should be prepared for the unexpected."

President Kim, noting that North Korea recently moved troops and warplanes closer to the already tense border, has cautioned his nation to be even more vigilant.

Mr. Kim has suggested that North Korea may try to capitalize on the unprecedented upheavals in South Korean politics in the last two months. The argument goes that with two former South Korean presidents imprisoned on corruption and insurrection

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Cutting Traffic: EU Reaches for Tax-Toll Brake

The Associated Press

BRUSSELS — The European Union unveiled ambitious proposals Wednesday to ease debilitating traffic congestion in cities and cut pollution from cars and trucks.

The traffic-cutting plan aims to end gridlock by imposing unspecified new taxes and tolls on cars and trucks in heavily congested areas.

The EU transportation commissioner, Neil Kinnock, said it was only fair that those who create congestion should bear more of costs now shared evenly by all taxpayers.

He said possible steps included new road tolls in cities, higher taxes on vehicles that cause most pollution and road damage, and charges to drivers based on total mileage driven.

The proposals also call for improving fuel efficiency by encouraging research in to more economical vehicles and creating incentives for consumers to buy them.

"We must move from gas-guzzling to gas-sipping cars," said the EU environmental commissioner, Ritt Bjerregaard.

The European Commission will submit both plans — now general ideas rather than concrete proposals — to the 15 EU governments in the hope that they will help draft legislation and then adopt it.

The commission estimates that traffic costs 225 billion European currency units (\$293 billion) a year in road damage, lost work time, pollution clean-up, and treatment of respiratory problems.

The anti-pollution plan calls for commitments by automakers to develop more efficient vehicles, tax breaks for consumers who buy efficient cars, and more money for research into fuel efficiency.

Such steps are needed to help the Union reach internationally agreed targets for cutting emissions of gases responsible for global warming, Mrs. Bjerregaard said.

Without new legislation, she said, carbon-dioxide emissions from vehicles will increase by more than 30 percent by 2010.

Russia Will Stay on 'Road of Reform,' Yeltsin Says

By David Hoffman
Washington Post Service

MOSCOW — President Boris N. Yeltsin, in his first major public statement since the election in which Communists took major gains, said Russia would "not leave the road of reform."

Speaking at the government health resort of Borzhom, where he is recuperating from a heart ailment, Mr. Yeltsin said, "We have no reason to worry or assess the elections as a tragedy."

The president said he could work with a Parliament in which the Communists are the largest single faction. "With about 75 percent of the vote counted, the Central Election Commission" said Wednesday that the Communists had received 21 percent of the vote.

By most estimates, the Communists and nationalists will control 40 percent to 45 percent of the seats in the 450-member lower house, the State Duma.

"I'm sure that the majority of Russians don't stand for communism," Mr. Yeltsin was quoted by Interfax as saying. In some countries "there are more Communists in parliaments, but there they find ways of interaction and normal democratic development."

His comments followed by a day similar remarks in which Prime Minister Viktor S. Chernomyrdin said there would not be major shifts in government policy in response to the elections.

Under the 1993 constitution, Mr. Yeltsin is not required to advise the government after a parliamentary election. However, Foreign Minister Andrei V. Kozirev, who was elected to Parliament, is expected to resign shortly.

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A detachment of Russian soldiers crossing Red Square in Moscow on Wednesday. Election results further confirmed the Communists' victory Sunday.

An End to Green Christmases for Congress

By Guy Gugliotta
Washington Post Service

WASHINGTON — 'Twas a few days before Christmas, and Santa Claus was stalking the halls of Congress for the last time. A little popcorn here, some chocolate there and a free meal or two, but lobbyists' gift-giving, a holiday fixture on Capitol Hill for generations, appears to be going gently into the night, mourned by few.

This year, capitalizing on a new spirit of self-denial, both the Senate and House passed gift-ban legislation after many tries. Beginning Jan. 1, there will be no more golf trips, banquets, Caribbean conventions or other pricey perks that made Congress much more than just the daily harangue.

With the lobbying bill signed into law by

President Bill Clinton on Tuesday, 1995 is figured to be the last hurrah for high-priced Christmas cheer. But indications are lobbyists have decided to pick up the new guidelines early.

"Normally, you'd go out in the hall and the carts would be filled with booze and gifts and packages of frankincense and myrrh," said Tom Korologos, a veteran lobbyist. "We said the hell with it, you win, we give up. It's over."

Beginning Jan. 1, senators can only accept gifts worth less than \$50, with exemptions for home-state products and foodstuffs. In the House, members get nothing except items that qualify under 23 exemptions, including home-state products, baseball caps and T-shirts.

Chocolates about this year, as do cookies, oranges and other edibles, but the big

items are few. The golf tournaments are out, since Congress is still in session with no prospects of leaving for a pre-New Year's trip to Florida. And the holiday spirit is notably absent in the raucous budget debate that has gripped Congress and put 280,000 federal employees out of work only days before Christmas.

"I have to think the shutdowns have a lot to do with it," said George Liapis, owner of Bullfeathers restaurant, a favorite watering hole near the House. "I kind of get a feeling that Christmas parties are a lot less popular than they used to be."

In a normal year, Mr. Liapis caters 15 to 30 parties every holiday season for lobbyists and lawmakers. This year, he's been 10. And as far as gifts go, pickings are

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AGENDA Queen Urges Charles-Diana Divorce

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California's Economy Speeds Forward

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Chun to Be Tried on Military Charge

EUROPE
Chirac Hopes Talks Heal Strikes' Scars

BUSINESS/FINANCE
Budget Impasse Pushed Down Lower

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International Classified Page 4.

LONDON (Reuters) — Queen Elizabeth II has written to Prince Charles and his estranged wife, Princess Diana, advising them to divorce, a television report said Wednesday.

The queen was reportedly concerned about the effect of the failed marriage on the two sons of Charles and Diana. Independent Television News said. It said Charles had agreed to formally end a marriage which began with a fairy-tale wedding in 1981.

Diana had an hour-long meeting with Prime Minister John Major at her Kensington Palace home earlier Wednesday. Mr. Major's office declined comment.

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After Five Years of Agony / 'California Is Back'

Economic Engine Revs Up Again

By B. Drummond Ayres Jr.
New York Times Service

LOS ANGELES — Battered for five years by Mother Nature and the worst recession since the Depression, California is finally beginning to recover its standing as the United States' most powerful economic machine.

Job growth in the state is running better than 2.3 percent annually, in contrast to the national rate of 1.5 percent, thanks to an employment explosion in the entertainment industry, advanced technology manufacturing and international trade — the new Big Three of the California economy.

By early next year, economists say, most of the 525,000 jobs lost in the five-year recession will have been replaced — although without any real recovery in the construction, aerospace and military industries, the old Big Three whose collapse led the state into its grinding downturn.

"California is back!" Governor Pete Wilson now boasts, which has prompted his aides to order him a limousine license plate with that happy proclamation.

The great exodus of people fleeing to other states to escape California's fires, floods, earthquakes, riots and economic collapses, including the Orange County bankruptcy debacle, has slowed sharply, as much as 20 percent, according to real estate agents and driving permit bureaus in some of those states.

Conversely, housing agents and driving bureau officials in California say that the migration rate this year to California from other states is running more than 15 percent ahead of last year's.

Demographers report that California — still the most populous American state, with almost 33 million people — is again becoming a magnet for the young, adventurous, entrepreneurial types who have flocked here for more than 150 years.

Based on current trends, demographers say, in the coming decade California's population will increase by 1.6 percent a year, while the nation will grow by 0.9 percent a year.

Before its economy collapsed, the total value of California's annual output of goods and services was about \$750 billion, enough to rank it not only as the biggest economy in the United States, but also as the eighth largest among all the economies of the world.

With its gross product now close to \$900 billion, California has regained that economic status and now even ranks seventh among the world's economies.

"It's been an impressive bounce back from a really tough place," said David Hensley, a specialist on the California economy for Salomon Brothers Inc., the New York financial concern.

"The old California energy is back in the air," he said. "There's the old churning and dreaming and business adventurism. There's also the old determined optimism that sees opportunity in the ashes of recession, earthquakes and fire. I'm definitely bullish on California."

Howard Flagg, president of PairGain, a Los Angeles area manufacturer of advanced telecommunications equipment, was one of those who saw opportunity in the depths of adversity and helped turn the state's economy around. His company has increased gross sales tenfold in the last three years, to more than \$100 million annually.

"We decided to expand right when things were at the worst in the state," he said. "We never lost faith in California or cutting-edge industries like ours that we're convinced are the state's future. We were positioned right and the time was right and we moved, even while others were still sinking. It's the old California success story."

But there are some qualifiers. Despite all the favorable economic indicators, the state's unemployment rate in recent months has been hovering stubbornly around 6 percent, at least two percentage points above the national rate. As much as anything, that high figure reflects just how low California's economy fell during the recession and how far it still has to go to fully recover.

Moreover, the most recent figures from the Labor Department in Washington indicate that the state's unemployment rate could be as much as three points above the national rate, though many employment experts question that estimate, saying the recovery is moving so fast that labor surveys cannot accurately follow it.

COMING UP

In the Alps, where glaciers are monitored more closely than anywhere else in the world, researchers say the ice cover has been shrinking rapidly. The main questions asked are: Precisely how fast is the ice melting? And, is the rate of melting accelerating? The answers will help determine if temperatures are indeed rising because of human activities.

Also, the California housing market, once the most overheated in the nation, remains in the economic doldrums, as does the residential construction industry. Many houses — those few that are selling — are going for 30 percent and 40 percent less than they might have brought at the turn of the decade.

Nor is there any sign that the hard-hit aerospace and defense industries will soon make an economic comeback, given the big national cutbacks in both fields. And if California has to contend with another natural disaster or if the national economy falters, the state's economy might again find itself in big trouble.

But in any case, for the moment most businesses here are doing very well, and expectations of success are running high again.

"The pluses far outweigh the minuses, and they are especially dramatic because many trace their roots to the depths of the recession, when everything else seemed headed down the tubes," said Stephen Levy, director of the Center for Continuing Study of the California Economy.

From 1990 to 1995, for example, international trade grew so rapidly in California — 70 percent over all — that the twin ports of Long Beach and Los Angeles overtook the ports of New York City and northern New Jersey as the nation's busiest. The value of goods going across the California docks is nearing \$150 billion a year, compared with about \$140 billion for the New York area docks.

Equally striking — and equally unheralded until recently — while the recession and cutbacks in military spending slashed employment in the state's defense industries to 150,000 workers, from a high of more than 400,000, employment in the film and television industry was almost doubling.

At the start of the recession, Hollywood employed about 85,000 people. Now, according to the California Employment Development Department, the industry employs as many people as hold jobs in what is left of the defense industry.

The ultimate economic metaphor for this switch may have been the construction site recently chosen for the newest high-tech California studio, DreamWorks. It is an old hangar once used to build military aircraft.

Along with DreamWorks, nearly 43,000 new businesses have been incorporated in California in the last year, a 7 percent increase. For the nation as a whole, the rate was 5 percent.

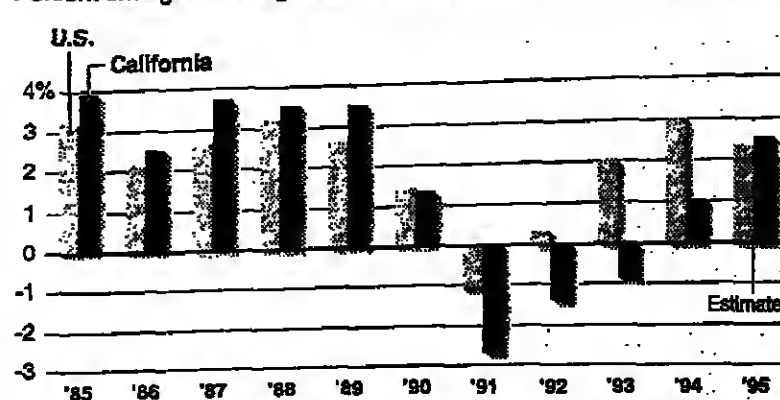
Many of the new businesses that were

A CLOSER LOOK

California's Economy Rebounds

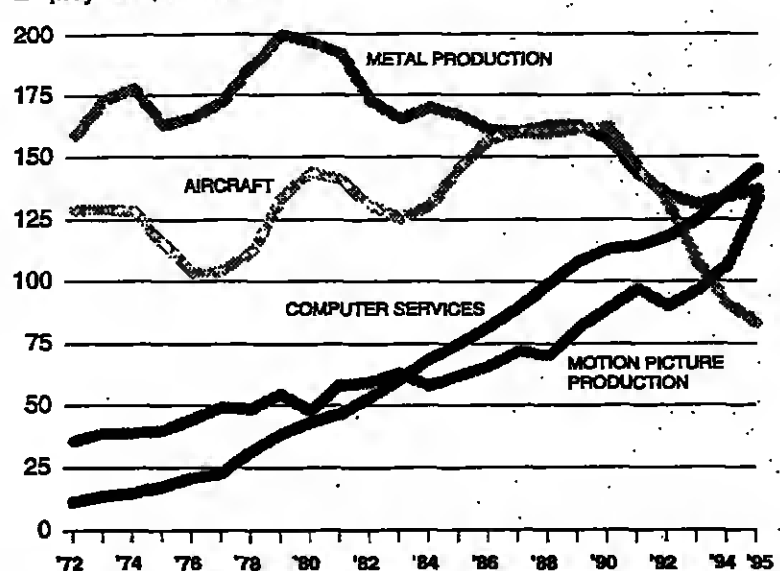
JOB GROWTH HAS RECOVERED

Percent change in nonagricultural employment from previous year.



BECAUSE SOME INDUSTRIES ARE BOOMING, EVEN AS TRADITIONAL INDUSTRIES FADE

Employment, in thousands.



Sources: State of California; Center for Continuing Study of the California Economy

The New York Times

incorporated were in entertainment, advanced technology and international trade. Industries that have now fully replaced the aerospace, military contracting and construction industries as the economic pillars of California. And the new companies tend to pay higher salaries than the older industries, thus raising average earnings in the state.

Twenty-two percent of California households now have annual incomes of more than \$75,000, compared with 17 percent nationally.

"This is a recovery like no other, in a state that has had its full share of boom and bust over the years — the gold rush, the oil gush, the house craze, aerospace and defense contracting," said Joel Kotkin, an analyst at Pepperdine University in Malibu.

"The fundamental economic mix has changed hugely," he continued, "and it's the kind of change that is positioning the state extremely well for the 21st century."

Library's Slavery Exhibit Is Pulled After Objections

By Marc Fisher
Washington Post Service

WASHINGTON — For the second time this month, the Library of Congress has bowed to criticism and scrapped an exhibit — this time, on the day the show was supposed to open to the public.

Library workers Tuesday dismantled "Back of the Big House: The Cultural Landscape of the Plantation," an exhibit depicting slave life on Southern plantations through the library's collection of photographs and first-person accounts by former slaves. It was to have been on display until the end of January.

A library spokeswoman, Jill D. Brett,

said many black staff members and officials "took umbrage" after the exhibit was installed Monday and argued that the display lacked a historical context. "It just was felt," she said, "that if a lot of people were offended, it just wasn't worth it."

The Library of Congress is the U.S. national library, a depository of historical documents as well as a research arm of Congress. Its exhibitions of documents usually do not provoke any controversy.

But earlier this month, library officials indefinitely postponed a planned exhibition on Freud after protests by academics who say his psychoanalytical

theories have been discredited. Library officials said the show, "Sigmund Freud: Conflict and Culture," was shelved because of a lack of money; some library staff members said outside pressure was the decisive factor.

The curator of the slavery exhibition, Professor John Michael Vlach of George Washington University, said he was never informed of any discord over the display, which has traveled this year without incident to five university museums and historic houses.

Ms. Brett said the exhibition was reviewed by three outside experts in the field, two of whom are black, who raised no objections about content.

But after Mr. Vlach's exhibition was installed, several black staff members complained that the exhibition lacked material on "the negative aspects of slavery," Ms. Brett said.

Winston Tabb, the associate librarian who Ms. Brett said made the decision to scrap the exhibit, declined to comment.

The librarian of Congress, James H. Billington, called the removal of the exhibit a complete nonstarter, saying the display would have been seen primarily by library staff members, not the public. The exhibition was installed on the sixth floor of the library's Madison Building, where the agency's top officials have their offices.

2,000 Strikers Jam Airport In Brussels

Reuters

BRUSSELS — Striking workers of the Belgian national airline, Sabena, clashed with police Wednesday at Brussels airport, adding to the chaos for passengers after the carrier canceled flights for the second day in a row.

A crowd of up to 2,000 jeering protesters threw stones, breaking glass doors of the recently opened airport terminal, as well as eggs and firecrackers as the police barred them from entering the building.

Police turned water cannons on demonstrators who had gone onto the airport tarmac, before rounding them up.

There were no reports of injuries, and by mid-afternoon the protesters had largely dispersed.

Sabena had already canceled or diverted all its flights to and from Brussels for the second straight day.

Faced with the impossibility of guaranteeing the safety of passengers, employees and goods, Sabena management has decided to suspend its operations from Brussels National Airport until Wednesday evening, the airline said in a statement.

While air passengers faced frustration, most of Belgium's rail traffic returned to normal Wednesday morning after suffering near-paralysis on Tuesday due to strikes by workers at the national railroad company, SNCB.

TRAVEL UPDATE

Transport Still Hobbled in Marseille

PARIS (Reuters) — Transport problems dragged on Wednesday in Marseille as strikers were slow to return to work, but service was nearly normal in the rest of France, officials said.

Apart from Marseille, the sole major problem area for the state railroad company, SNCF, was high-speed Eurostar service between Paris and Brussels, with just two round-trips planned Wednesday — this time because of a strike by Belgian rather than French rail workers.

In Paris, Metro and suburban train lines were also restored to near-normal levels. About 80 percent of Paris-area buses were running, the RATP regional transport authority said.

Train, bus and tram drivers were returning to work gradually in Marseille, however, and a first high-speed TGV train left the city for Avignon and Paris to the north a little over an hour late.

EU Takes Side of Air Accident Victims

BRUSSELS (IHT) — The European Commission proposed Wednesday to require the bloc's airlines to offer much greater compensation to passengers involved in accidents, which would put European carriers on roughly equal footing with American and Japanese airlines.

The commission said it would propose that carriers take automatic responsibility for accidents and pay damages of up to 100,000 European currency units (\$130,000) for each passenger injured or killed, regardless of whether or not the airline was negligent. The law also would require urgent payments of 50,000 Euros to survivors within 10 days of an accident.

Venice Pigeons Stir Health Concern

ROME (AFP) — An outbreak of salmonella poisoning among thousands of pigeons in Saint Mark's Square in Venice could spread to humans if the birds are not culled, city officials said. The 5,000 pigeons that circle the square cause enormous damage, but are a great tourist draw. But Mayor Massimo Cacciari said they "presented a serious risk of infection." He has asked the veterinary department to disinfect the square and collect the bodies of the approximately 100 pigeons that die each day.

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Austria	1-800-331-110	Dominican Republic	1164-577	Japan (Nagoya)	001-800-13	Russia	001-800-13
Australia (Sydney)	002-908-014	Ecuador	999-171	Japan (Kyoto)	001-800-13	Saudi Arabia	001-800-13
Bahamas	1-800-369-2111	El Salvador	334-4777	Japan (Fukuoka)	001-800-13	South Africa	001-800-13
Belize	002-777	Spain	900-1776	Japan (Sapporo)	001-800-13	South Korea	001-800-13
Bermuda	1-800-477-8000	Sweden	004-870-100-3	Japan (Yokohama)	001-800-13	Sri Lanka	001-800-13
Bhutan	0800-10014	Switzerland	900-1-0234	Japan (Hiroshima)	001-800-13	Singapore	001-800-13
Bolivia	555	Taiwan	19-0022	Japan (Nagasaki)	001-800-13	Slovak Republic	001-800-13
Brazil	812	Thailand	010-0018	Japan (Tokushima)	001-800-13	Slovenia	001-800-13
Bulgaria	1-800-477-8000	Turkey	008-001-411	Japan (Miyazaki)	001-800-13	Slovenia (Ljubljana)	001-800-13
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THE AMERICAS

Clinton Breaks Off Talks on a Budget Compromise

The Associated Press
WASHINGTON — Budget talks collapsed Wednesday after President Bill Clinton scuttled an Oval Office meeting with Republican congressional leaders and accused "the most extreme" House Republicans of reneging on a deal that could have ended the government's partial shutdown.

Mr. Clinton said, "This is a very troubling development."

The president said he had talked twice with Bob Dole of Kansas, the leader of the Senate's Republican majority, who he said was "making a good faith" effort to settle the impasse.

In reaction to the worsening prospects for a budget settlement, the Dow Jones industrial average dropped sharply near the close of trading, drag-

ging the index down more than 50 points for the day.

Mr. Clinton had been scheduled to meet Wednesday with Mr. Dole and Newt Gingrich, the speaker of the House, to discuss ending the shutdown.

Mr. Clinton rejected a Republican demand to keep the government partly closed until agreement on a balanced budget is reached. Mr. Clinton said that ran counter to an arrangement he made with Mr. Dole and Mr. Gingrich on Tuesday to work to end the impasse.

"The most extreme members of the House of Representatives rejected that agreement," Mr. Clinton said.

Those members want to force the government to stay closed until I accept their deep and harmful cuts," he urged the conservative House

Republicans to "let the speaker honor his commitment."

Republicans were furious at the White House for sending mixed signals on what the Republicans thought was an agreement to use Congressional Budget Office figures in the negotiations.

In a sharp rebuke of Mr. Gingrich and House Republicans, Mr. Clinton wondered out loud if "the tail will keep wagging the dog over there."

Mr. Clinton spoke just minutes after defiant House Republicans, summoned to an emergency afternoon caucus meeting, shouted their approval of a resolution calling for reopening the government when balanced-budget legislation is presented to the Congress.

A senior House Republican, speaking on condition of anonymity, said Republicans told the White House they would not reopen shuttered government agencies until the deal on balancing the budget is completed.

The White House press secretary, Michael McCurry, said 3.3 million veterans and their survivors would receive their Jan. 1 benefits check late unless a stopgap spending bill is passed by Thursday.

Republicans said Mr. Clinton has only himself to blame because he vetoed a bill funding the Department of Veterans Affairs.

Meanwhile, conservative Democrats said they were growing impatient with the administration and party liberals and will start talking about a deal

to override a veto if there isn't progress in the budget talks.

"If they aren't a long ways down the road to a deal," said Representative Collin Peterson of Minnesota, speaking for 22 conservative Democrats, "we're going to start working on a different strategy" to make the accord veto-proof. "We've told them that."

First-term House Republicans field a news conference in which they declared they were adamant about balancing the budget using Congressional Budget Office economic estimates that will require deeper spending cuts.

"Prior Congresses would have cooked the books with a wink and a smile and claimed victory," said Representative Jon Fox, Republican of Pennsylvania. "We will not do that."



Speaker Newt Gingrich of Georgia heading to the House floor Wednesday after talks with White House officials.

Nixon Papers Offer Tidbits of History

Dole Was Seeking Favors

By Tim Weiner
New York Times Service

WASHINGTON — The National Archives has released a 50,000-page grab bag of long-classified documents from President Richard Nixon's White House — no smoking guns, but fascinating fragments, from a slew of favor-seeking memos by Senator Bob Dole to an early draft of a plan for spying on leftists.

The 25-year-old thoughts of several present-day presidential contenders are in the files: admiring notes by Pat Buchanan, then a young Nixon aide; querulous and complimentary letters from Mr. Dole, Republican National Committee chairman from 1971 to 1973; and internal White House messages contemplating setting Mr. Dole to work digging up dirt on the president's political foes.

The papers, declassified by the archives and made public Tuesday in response to researchers' requests, include letters from Mr. Dole that poured into the Nixon White House, sometimes daily. They sought scores of patronage jobs for friends and constituents, political favors from executive clemency to 100th birthday telephone calls, and support for Mr. Dole's favorite causes, like the corn-based gasoline additives made by a longtime sponsor, the agribusiness giant Archer Daniels Midland.

They also sought responses to stunningly obscure inquiries from the senator's Kansas constituents: questions about car repairs, home-canning tips and undelivered mail.

Mr. Dole did not always succeed in finding administration jobs for his friends and allies. "Kansas may yet land one appointment," he wrote tardily to a presidential assistant, Bryce Harlow, in April 1969. "We do have an inside track on a janitor's job at the USDA."

And Mr. Dole was hardly the only favor-seeker at the Nixon White House. Ross Perot sought help with "Wall Street troubles," says a 1973 memo. And 18-year-old John Kasich, now chairman of the House Budget Committee, scrawled a five-page letter seeking an internship. He was rejected.

The files also contain the glowing words of Mr.

Buchanan, one of Mr. Nixon's youngest aides, as he watched the boss in action.

"The president entered about 8:30 A.M., looking surprisingly rested and even tanned following his trip," Mr. Buchanan noted on March 4, 1969, referring to a Nixon trip to Europe. By contrast, Senator Edward M. Kennedy, the Massachusetts Democrat, looked "inordinately ruddy, as though he had either been on the slopes for the weekend, or on the town for the night."

Two other members of the Republican presidential field, Senator Richard G. Lugar, then mayor of Indianapolis and a favorite of Mr. Nixon's, and Lamar Alexander, then a rising star in Tennessee, also show up in the newly declassified files, but only in passing.

The files include a June 4, 1970, memo to Mr. Nixon from an aide, Tom Charles Huston. It is the earliest record of a plan to put American intelligence agencies to work spying on American groups "determined to destroy our society" — those opposed to Mr. Nixon and the war in Vietnam.

Judge Recuses Self In Case on Rights Of Gay Soldiers

The Associated Press

NEW YORK — A judge who opposed banning homosexuals from the military withdrew from hearing an appeal on the government's "don't ask, don't tell" policy.

The withdrawal by the judge, Guido Calabresi, forced a postponement of what would have been the first appeal of a lower court ruling that found unconstitutional the policy that allows homosexuals to remain in the military only if they keep their sexual orientation secret.

The government had protested that Judge Calabresi had signed a petition in 1993 opposing banning homosexuals from the military. At the time, Judge Calabresi was dean of Yale Law School.

The disputed policy prevents commanders from investigating homosexual activity unless they receive compelling evidence that it is going on.

POLITICAL NOTES

House Overrides Clinton Veto

WASHINGTON — Joined by 89 Democrats, House Republicans for the first time successfully overrode a veto by President Bill Clinton on Wednesday, countering his attempt to block a bill restricting class-action security fraud lawsuits.

With the 319 to 100 vote in the House, 29 above the two-thirds needed, the legislation now moves to the Senate. With a two-thirds vote there, the bill aimed at protecting investors from fraudulent and abusive lawsuits would become law.

The veto override came only hours after Mr. Clinton's late-night announcement that he was rejecting the bill because it did not adequately protect those with legitimate legal claims.

It was the first time the House has tried to override a veto. Mr. Clinton has vetoed 10 bills this year — four in the past two days.

Many Democrats who had stuck with Mr. Clinton in his vetoes of spending bills said the president had made a bad decision this time.

"Much of his objections are of a nitpicking nature," said Representative Jim Moran, Democrat of Virginia. "It's legalistic."

Mr. Clinton issued his veto minutes before a midnight Tuesday deadline, surprising Republicans who had made the legislation a cornerstone of their campaign to limit lawsuits.

"By vetoing this bill, President Clinton has turned his back on everyone who owns a mutual fund, participates in a pension plan, or has a job at a public company," said Representative Christopher Cox, Republican of California. "It took 12 months to craft this legislation, it took 12 seconds for the president to set us back."

Setback for Perot's Party in Ohio

WASHINGTON — In the first organizational setback for

Ross Perot's new Reform Party, Ohio officials announced that party organizers had failed to collect enough signatures to secure a spot on the state's March 19 primary ballot.

The ruling is likely to have little effect on the new party's role in the 1996 presidential race. By continuing to collect signatures, the Reform Party can still run presidential and vice-presidential candidates in Ohio in the general election.

Mr. Perot had already announced that the Reform Party would skip next year's presidential primaries, choosing instead to nominate its presidential ticket at a convention in the summer. The Texas businessman, who won 19 percent of the vote in the 1992 presidential election, has said that he does not plan to use the new party as a vehicle for a second Perot candidacy. But he has also not ruled out running.

The more significant result of the ruling Tuesday is that it will prevent the Reform Party from fielding candidates for all other offices in Ohio, including county commissions, the state legislature and Congress.

Answer Is Still No, Powell Says

SARASOTA, Florida — General Colin Powell says he is flattered, but he disagrees with the speculation of Bob Dole, the Republican presidential front-runner, that he would accept the Republican's vice presidential nomination if it were offered.

"I have great respect for Senator Dole," General Powell told about 800 people at a speech in Florida. "We have never discussed this issue, but at this point in my life I am still of the view that for me and my family I should make my contribution in private life."

Quote/Unquote

Senator Bob Dole, the majority leader, about prospects for resolving the budget dispute with the White House: "It's a big step. We're serious about this now."



FOR WANT OF A SHOE — Coroner's employees carrying the body of one of the six victims of a gunman at a New York City shoe store. The police shot and arrested a man who was apparently upset that the store did not have his size.

Away From Politics

A jumbo jet carrying more than 400 passengers skidded off a runway after its pilot aborted takeoff during a heavy snowstorm at Kennedy Airport in New York. No injuries were reported. Tower Air's Flight 41 to Miami experienced some unspecified problems during takeoff that caused the pilot to abort, said an airport spokeswoman. A spokeswoman for Tower said that an icy runway after two days of snow and cold temperatures was the suspected cause of the accident, but a Federal Aviation Authority spokeswoman said the cause was under investigation. It was unknown how far into takeoff the Boeing 747 jetliner was when the pilot aborted. The airport was closed after the incident.

Massachusetts has become the fifth state to bring suit against the largest American tobacco companies in an effort to recoup Medicaid and other health care costs for treating smoking-related illnesses. In a complaint filed in Massachusetts Superior Court, Attorney General Scott Harshbarger accused the tobacco industry of conspiring for decades "to mislead, deceive and confuse" Massachusetts and its citizens about the dangers of smoking. The suit seeks more than \$1 billion in damages.

O. J. Simpson's financial records can be scrutinized by the families suing him in a wrongful death lawsuit, a judge in Santa Monica, California, ruled. The families of Ronald Goldman and Nicole Brown Simpson, slain in 1994, are seeking damages

through civil law from Mr. Simpson, who was acquitted of murder charges.

Newly powerful Mexican drug lords may be ready to seize control of the U.S. cocaine market by shouldering aside the Colombian Cali cartel now that many of its leaders are in custody, warned the head of the Drug Enforcement Administration, Thomas Constatine.

High winds and heavy snows whipped up blizzard-like conditions from the Plains to the northeastern United States. As much as 12 inches (31 centimeters) of snow fell in Ohio overnight. New York and Boston each received 9 inches (23 centimeters), while Newark, New Jersey, had 7 inches (18 centimeters).

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COMPANHIA PARANAENSE DE ENERGIA

Chun to Be Tried On Mutiny Charge

Action Tied to '79 Coup

Compiled by Our Staff From Dispatches
SEOUL — Former President Chun Doo Hwan, who has been on a hunger strike in jail, will be formally charged Thursday with mutiny stemming from a 1979 military coup, a senior prosecutor said Wednesday.

"We have completed all the preparations for his indictment," the prosecutor said.

According to published reports, another former president, Roh Tae Woo, also will be indicted in connection with the coup, but the reports could not be confirmed.

Mr. Roh, who was General Chun's successor in the presidency, is on trial for bribery in a case unrelated to the mutiny. Mr. Roh is charged with accepting \$369 million in kickbacks from businessmen during his 1988-1993 term in office.

Late Wednesday, Mr. Chun was taken to a hospital as his hunger strike at Anyang Prison entered its 18th day, the Yonhap news agency said.

"Chun's condition looked pretty bad," a prison official said.

Mr. Chun said through aides that the hunger strike was to defend the legitimacy of his government, which was in place from 1980 to 1988, vowing to let himself slip toward death.

Mr. Chun has lost nearly 10 kilograms (22 pounds). His vision and hearing are weakening, his aides said.

Doctors say a person can survive on water alone for 40 to 50 days, but the period may be shorter for people under heavy stress, such as Mr. Chun.

"His condition is getting serious," Mr. Chun's lawyer, Lee Yang Woo, said.

He could not sleep because of a chill and had problems sitting up in the interview room just for a couple of minutes.

The lawyer said Mr. Chun's blood pressure had dropped and he was showing signs of dehydration. Mr. Chun has rejected an appeal to apply for parole, vowing to maintain his protest fast, Mr. Lee said.

In a television interview, the senior prosecutor, Choi Hwan, said Mr. Chun would not be released from confinement because of his condition.

He said the move to a hospital would be temporary and only for treatment.

The South Korean Parliament on Tuesday passed a special law aimed at the former presidents that makes it possible to prosecute them by adjusting a 15-year statute of limitations to exclude time they served in office.

President Kim Young Sam called for the new law to punish his predecessors for the 1979 coup and an army massacre that crushed a pro-democracy revolt the following year in Kwangju.

About 200 people were killed by official count when paratroopers from the Special Warfare Command stormed Kwangju in May 1980 to put down a rebellion against a widening of martial law ordered by Mr. Chun. Unofficial estimates of the casualties were much higher.

Residents of the southeastern city said thousands died in street battles between troops and activists who raided local armories and seized control of the city center.

Both Mr. Chun and Mr. Roh were generals at the time of the coup. Mr. Chun became head of state in August 1980.

Meanwhile on Wednesday, prosecutors summoned Mr. Roh's daughter and her husband to their office Thursday to determine if money they tried to deposit in a U.S. bank in March 1980 was related to Mr. Roh's slush funds.

Prosecutors have access to U.S. documents from the case, in which the pair pleaded guilty to illegally depositing \$192.576 in U.S. accounts.

(Reuters, AFP)



SHIMMYING PAST 60 — Elderly women dancing the hula Wednesday at a community center in Tokyo during a rehearsal for a Christmas show. About 50 women, aged 65 to 83, are taking part in the production.

BRIEFLY ASIA

U.S. Reducing Okinawa Bases

TOKYO — Japan and the United States will soon announce an agreement on reducing U.S. military facilities in Okinawa, a government official said Wednesday. The accord comes after a public outcry sparked by the rape there of a 12-year-old schoolgirl, allegedly by U.S. servicemen who are currently on trial.

"The announcement may come tomorrow, but we don't know the details," the official at the defense facilities administration agency said Wednesday. (AFP)

Tibetans Ask for Release of Lama

NEW DELHI — Some 200 Tibetan monks urged China here Wednesday to release the six-year-old boy named by the Dalai Lama as the reincarnation of the Panchen Lama, the second most powerful figure in Tibetan Buddhism.

Displaying pictures of the boy, Gendun Choyki Nyima, the monks from the Tashi Lhunpo monastery in southern India denounced the Chinese authorities for enshrining a rival candidate as Panchen Lama.

They expressed full support for Gendun Choyki Nyima, the Panchen Lama chosen by the supreme Tibetan spiritual leader, the Dalai Lama, and demanded that China immediately free this "true reincarnation."

Gendun Choyki Nyima and his parents have been detained by the Chinese authorities since July, according to Tibetan groups.

China enthroned a rival six-year-old boy, Gyaincain Norbu, earlier this month as the 11th Panchen Lama in a move denounced by the Dalai Lama and the Tibetan government-in-exile based in India. (AFP)

VOICES From Asia

Geng Zhong, 81, Chinese survivor of a World War II Japanese labor camp, seeking compensation for his suffering: "Over the 50 years, the painful deaths of my fellows have never left the back of my head, and my heart has sunk because of our growing resentment." (AP)

Hamid Othman, a Malaysian government minister, on the government's plan to have Muslim couples tested for AIDS before they marry: "The new ruling will ensure a mentally and physically healthy Muslim stock." (AFP)

Kim Changes Cabinet, Hoping for Break With Past

SEOUL — President Kim Young Sam appointed a new cabinet Wednesday in an attempt to signal a clean break with military-backed predecessors accused of corruption.

Eleven changes were made in the 21-member cabinet, including the key finance and economy post.

Mr. Kim appointed a new prime minister on Tuesday, Lee Soo Sung, a career academic who specializes in criminal

law, is the fifth prime minister since Mr. Kim took power in 1993, and the reshuffle was one of several since then.

Analysts said that under South Korea's presidential system, in which policy is driven by the head of state and his inner circle of aides, the cabinet changes were partly symbolic.

Mr. Kim is bringing in fresh faces untainted by close association with his disgraced predecessors, ahead of general elections scheduled for April.

At the same time he is freeing from cabinet duties experienced politicians to help salvage the gloomy electoral prospects of his New Korea Party.

"President Kim hopes the new cabinet will solve the pending issues of state affairs through daring reforms," said his spokesman, Yoon Yoo Joon.

The outgoing unification minister, Rha Woong Bac, was named minister of finance and economy.

Kwon O Kie, president of the Dong-A

Ilbo newspaper, was named to head the Unification Ministry, which is responsible for relations with North Korea.

Opposition parties scoffed at the changes.

"The new cabinet is short of ability, new policies and vision," a spokesman for the main opposition National Congress for New Politics said. "The reshuffle only shows the government of Kim Young Sam is suffering a lack of able men."

Hong Kong Group Snubbed by Beijing

Party Backed '89 Uprising

Compiled by Our Staff From Dispatches
HONG KONG — Hong Kong's largest political party has been excluded from the committee that China is appointing to shape the territory's government after the 1997 handover, it was reported Wednesday.

Tsang Hin-chi, a Hong Kong delegate to the Standing Committee of China's National People's Congress, said in Beijing that a draft list of members of the new panel included at least one member of the British governor's cabinet and many Hong Kong legislators.

But he said none of the 150 candidates was drawn from the Democratic Party, the biggest in the colony's Legislative Council.

The Preparatory Committee for the transition to Chinese rule is expected to be named by the Standing Committee next week. The list of Hong Kong members contained 11 political figures, 34 business people, 33 professionals and academics and 16 religious, social work, grassroots and rural representatives, Mr. Tsang said. The 56 mainland Chinese members were officials familiar with Hong Kong, he said.

"Citizens must ask why such a popular party would have no representative, whether the Chinese side appoints only those with agreeable views," said Yeung Sum, secretary-general of the Democratic Party. "So the whole Preparatory Committee will not be representative and will not be trusted."

The Democratic Party's leaders earned China's enmity when they led demonstrations here in support of the 1989 pro-democracy movement, which Beijing crushed. They won the most votes in the September polls that chose Hong Kong's first fully elected legislature.

Beijing has vowed to dismantle the legislature in 1997 and to replace it with a provisional body until elections can be held under new rules. The Preparatory Committee is also charged with deciding how that provisional body will be chosen.

Doubts about the draft list also came from some people within the pro-Beijing camp. "If the committee works behind closed doors and with nearly half of the members from mainland China, this will not be

Hong Kong people ruling Hong Kong," said Liu Yu-chu, a Hong Kong representative in the Chinese legislature.

Beijing has promised Hong Kong a high degree of autonomy after 1997. But there is concern about how much freedom will be tolerated.

Martin Lee, chairman of the Democratic Party, cautioned Wednesday against leaving the territory's future anti-subversion laws to the "whims of the leaders in Beijing."

Mr. Lee urged the colonial government to submit draft anti-subversion laws to legislators within two months. Otherwise, Mr. Lee said, his party would consider introducing its own.

Under the constitution China has prepared for post-1997 Hong Kong, the territory must enact laws to prohibit treason, secession, sedition and subversion against the Chinese government. Britain has given Beijing proposals on how to enact such laws, but has not made them public. (Reuters, AP)

3 Dissidents Held After Appealing For Wei's Release

BEIJING — The police have detained three dissidents who signed a letter to the legislature calling for the release of the democracy advocate Wei Jingsheng, a human rights group said Wednesday.

The three, Wang Donghai, Chen Longde and Fu Guoyong, were taken into custody on Friday in Linhai, a city in Zhejiang Province, said the group, the New York-based Human Rights in China.

The three had collected signatures from dissidents in four provinces on a letter dated Nov. 27 that called on the National People's Conference to investigate Mr. Wei's case and obtain his release.

The letter argued that Mr. Wei's detention without charge for nearly 20 months and his formal arrest in November were illegal. On Dec. 13, a court in Beijing convicted Mr. Wei of sedition and sentenced him to 14 years in prison.

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1343, 13

EUROPE

France Vows to Retain Border Controls Despite the Wishes of Its Neighbors

By Tom Buerkle
International Herald Tribune

BRUSSELS — Once again frustrating the wishes of several European Union allies to turn the promise of the free movement of people into reality, France announced Wednesday that it would maintain border controls indefinitely in an effort to deter drug trafficking.

Michel Barnier, the French minister for European affairs, told a meeting of the so-called Schengen group of seven Continental EU countries that France needed several more months to determine whether

alternative crime-control measures, such as mobile patrols near border areas, could adequately replace fixed police controls at frontier crossing points.

"When we talk about a Europe of freedom, we also have to talk of a Europe of safety," Mr. Barnier said.

France's partners reacted with resignation rather than indignation.

Germany, Belgium, the Netherlands, Luxembourg, Spain and Portugal have abolished controls on their common borders, believing controls at fixed points offer little deterrent to drug trafficking and other crime. But they acknowledged that the issue is

politically sensitive for Paris because of a series of terrorist attacks over the summer and President Jacques Chirac's strong stance against drug trafficking.

"They understood that we were sincere, that there's no will to block Schengen," Mr. Barnier said at the meeting in Ostend, Belgium.

Many European officials also believe that opposition by the rightist National Front to any easing of border controls has inhibited Mr. Chirac's ability to reach a compromise on the issue.

Belgian officials, who have chaired the Schengen group for the last six months,

reported little progress in border talks with France. Paris has called for joint command of border police with its neighboring countries but still wants the police based at fixed points on the frontier, officials said.

In Brussels, officials said they want the same type of cross-border patrolling that Belgium conducts with the Netherlands, Germany and Luxembourg.

France allows Belgian police to come onto its territory in hot pursuit of criminals but prohibits them from making an arrest unless accompanied by French police. Belgian officials contend that the brief time it takes to team up with French police is usually

enough to enable criminals to get away.

Prospects for a solution could improve in January when the Netherlands takes over the leadership of the Schengen group. Mr. Chirac's main concern has been drug traffic coming out of the Netherlands, which he asserts is fostered by a lenient drugs policy. The Dutch government tightened its policy in September, limiting the quantity of marijuana and hashish that can be sold in coffee shops and cracking down on drug tourism by expelling foreigners who come to buy hard drugs. And at a summit meeting of EU leaders in Madrid last week, Prime Minister Wim Kok of the Netherlands

lands agreed with Mr. Chirac and Chancellor Helmut Kohl of Germany to hold a special meeting on drug trafficking early in 1996 to launch a concerted crackdown.

Despite the border stalemate, ministers reported progress on other issues. Officials reported that the Schengen Information System, a computerized crime data bank plagued for months by technical problems and procedural disagreements, ran without a hitch for the past month. And officials claimed progress in negotiations aimed at bringing Denmark, Sweden, Finland and non-EU member Norway into the Schengen group.

Chirac Hopes Labor Meeting Can Heal Bitter Strike's Scars

Reuters

PARIS — President Jacques Chirac of France on Wednesday urged Prime Minister Alain Juppé to use a high-risk "labor summit" with unions and employers to restore hope and confidence to the nation after a bitter 24-day public-sector strike.

As Mr. Juppé worked on measures to revive an economy battered by the long transport strike, the government's spokesman, Alain Lamassoure, said Mr. Chirac had encouraged the cabinet to "make new efforts to explain and to bring back confidence and restore hope."

He also quoted Mr. Chirac as saying that the government should listen carefully to what had been said by all sides during the strikes.

Mr. Lamassoure's remarks sounded to some like veiled criticism of Mr. Juppé at a time when the president's conservative supporters are urging him to intervene personally in the labor upheaval.

But Chirac aides stressed that no criticism was intended and that the president stood by his prime minister.

With employers refusing to discuss pay increases or shorter

working hours and trade union leaders seeking to put Mr. Juppé's welfare reforms on the agenda, Thursday's talks at the prime minister's office could end in a blow-up.

Mr. Chirac acknowledged the danger, telling the cabinet that the meeting was "a necessary, if difficult exercise."

In a television interview over the weekend, Mr. Juppé said the talks would focus on youth unemployment, working hours and growth measures. But he refused to discuss social security reform.

In a sign of the government's determination to press ahead with its controversial reforms, the cabinet approved a bill to amend the constitution and give Parliament, instead of trade unions and employers, ultimate control over welfare spending.

The amendment lets Parliament "set, at the government's suggestion, general guidelines and aims for social protection policy, financial resources through taxation and the rate of growth of all spending."

Mr. Lamassoure said the measure aimed to balance the social security accounts that finance health care, pensions and family allowances, which are running an annual deficit of 60 billion francs (\$12 billion).

But Mr. Juppé tried to calm the unions, which draw power and funds from managing the welfare system, saying that they would keep a full role and that he did not aim to "nationalize social security."

Court in Germany Strikes A Blow Against Paparazzi

Reuters

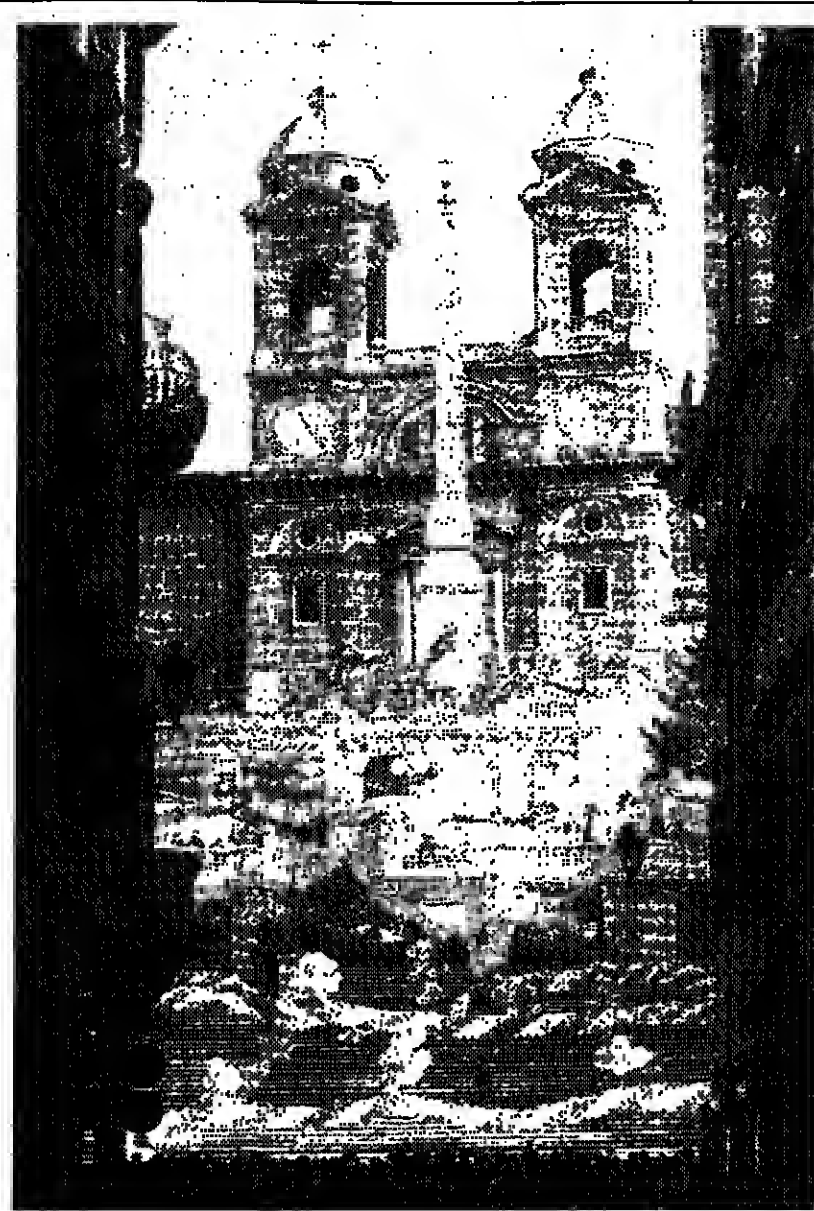
KARLSRUHE, Germany — The nation's highest civil court on Wednesday banned the publication of celebrity photographs if the stars clearly think they are free from prying lenses.

In a case brought by Princess Caroline of Monaco in 1993, the Federal Court of Justice ruled that the Burda publishing house could no longer publish photographs of her and the French actor Vincent Lindon that were taken in a quiet garden restaurant in Saint Rémy in the south of France.

The court described the decision as a milestone in the protection of privacy under German law.

Even celebrities deserved some privacy outside their own homes, it said, and photographers would need their permission to publish a shot taken in a public but closed-off space where stars feel they are not being watched.

At the same time, the court said, the princess had to accept being photographed in such open public spaces as shops or when she goes boating or horse-riding.



STEPPING OUT — Rome on Wednesday reopened its white marble Spanish Steps, which have been closed for seven months for renovation.

BRIEFLY EUROPE

Greece Is Lukewarm To 'Push' on Cyprus

ATHENS — Greece reacted cautiously Wednesday to an American assistant secretary of state's vow that he would make a "big push" in 1996 to end the 21-year division of Cyprus.

Greece's welcome "will depend on the nature" of the U.S. intervention, the government's spokesman, Telemachos Hytiris, said.

He said that "nothing concrete" had been offered so far and that it was "not the first time" that Washington and Richard C. Holbrooke, the assistant secretary for European and Canadian affairs, had said they wanted to move talks forward on solving the division of the island.

Mr. Holbrooke, who helped to broker the Bosnian peace agreement, is to travel to Cyprus next month. On Tuesday, he told The Washington Post: "We intend to make 1996 the year of the big push on Cyprus."

Cyprus has been divided into Greek and Turkish zones since Ankara occupied the northern third of the island in 1974 after a Greece-backed coup in Nicosia. (AFP)

British Researchers Discount Beef Scare

LONDON — Reacting to a scare over "mad cow" disease, British scientists have said there is no health risk involved in eating beef.

Their research, published on Wednesday in the magazine Nature, showed humans were extremely unlikely to contract the degenerative brain disease CJD, or Creutzfeldt-Jakob Disease, through eating beef from cows infected with the disease.

Beef sales in Britain have plummeted by 25 percent in recent weeks amid a wave of concern that people could be infected from beef. Hundreds of schools have taken the meat off their menus after pressure from concerned parents.

But researchers at London's Imperial College School of Medicine, experimenting with mice, found no connection.

The research will be welcomed by the British government, which has been fighting growing public anxiety over the disease's possible spread into the human food chain. (Reuters)

Assassins in Belfast Gun Down Catholic

BELFAST — Assassins struck for the second straight night in Belfast on Tuesday, killing a Roman Catholic man as he walked from his car to his front door.

A caller to Belfast media claimed that an unknown group, "Direct Action Against Drugs," murdered Chris Johnston, 38.

The same group claimed responsibility for Monday's killing of Francis Collins. The police said they believed the Irish Republican Army was responsible for both murders. (AP)

Calendar

EU events scheduled for Thursday:

BRUSSELS: Final day of a conference of donor countries for the reconstruction of Bosnia.

BRUSSELS: Fisheries ministers meet to fix catch quotas for 1996.

Sources: Agence Europe, AFP

When I was a kid, my bike was the freedom to explore.

When I was a teenager, my motorcycle gave me the open road.

And in my 20's, a beat-up convertible was a ticket to heaven.

Now it's my son who is free to dream.

So here I am.

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CREATING TOGETHER

INTERNATIONAL

Andreotti and the 3 Faces of Italy

State, Church and Mafia All Have Roles to Play

By Celestine Bohlen
New York Times Service

ROME — It is said that Italy's curse is to be the home of three world powers: Italy, the Roman Catholic Church and the Mafia, of which the feeblest is the Italian state.

It might also be said that Giulio Andreotti, seven times prime minister and a devout Catholic now on trial for Mafia crimes, is the symbol of the relationships that bind all three.

Now 76, accused in one case of acting as political godfather to the Sicilian Mafia and in another of conspiring to murder a journalist, Mr. Andreotti has been reduced to a shadowy figure flitting across Italian television screens like a soul trapped in purgatory.

But there is one place where he is still welcome, and that is the Vatican. There he is still remembered for his loyal service to the church during his many years as Italy's leading Christian Democrat, an important ally against communism.

And there at a recent public ceremony, he was ushered to the stage by an Italian cardinal, calling for a round of applause, and was given a warm handshake by Pope John Paul II.

Given the gravity of the charges against him, it was a gesture that struck many Italians as ill timed, to say the least. Yes, all men are presumed in-

nocent until proven guilty, but a papal handshake carries special significance, in some ways like a blessing.

"I think it is very serious that another state invites a man accused of two serious crimes to participate in an official setting," said Paolo Giacomelli, head of a consulting company. "It would have been better if the Vatican had waited for the decision of an Italian tribunal."

In this case, the handshake carried an extra symbolic burden. For most Italians, the case against Mr. Andreotti, now before a court in Palermo, Sicily, boils down to another greeting: the now-famous kiss that Mr. Andreotti is said to have exchanged with the notoriously brutal Salvatore Riina, the Cosa Nostra's boss of bosses, now serving multiple life sentences.

But the Pope being the Pope, no one dared challenge him until a 25-year-old student last week walked to a microphone during a papal prayer service in St. Peter's Basilica and in an incident that hit front pages across Italy, boldly questioned the decision to invite Mr. Andreotti to the Vatican.

The student, Maurizio Anassassi, a member of a Catholic university organization, quoted from the diary of Aldo Moro, the former prime minister killed by leftist terrorists in 1978, who described Mr. Andreotti as "indifferent, bloodless, absent, closed in his shadowy scheme of glory."

The student's remarks have prompted a debate about the church's responsibility for a man and his party, which, for all their deeply rooted Catholicism, have been condemned to

political oblivion for condoning corruption and collusion with the Mafia.

Writing in *La Repubblica*, Giorgio Bocca, a well-known columnist, said church leaders "certainly have many reasons to recall with nostalgia the super-Catholic Minister Giulio Andreotti who never begrudged the church help or favors from the state, but perhaps they should keep in mind that the challenge between legal Italy and organized crime is now a crucial point: either legal Italy wins, or it becomes a Mediterranean Colombia."

Even some churchmen voiced regrets over Mr. Andreotti's reception at the Vatican.

"This risked giving the impression that the church has already absolved Andreotti," said the Reverend Paolo Turroni, a well-known anti-Mafia priest in Palermo. Mr. Andreotti, ever aloof, always armed with a dry wit, dismissed the student's outburst as "the intemperance of youth."

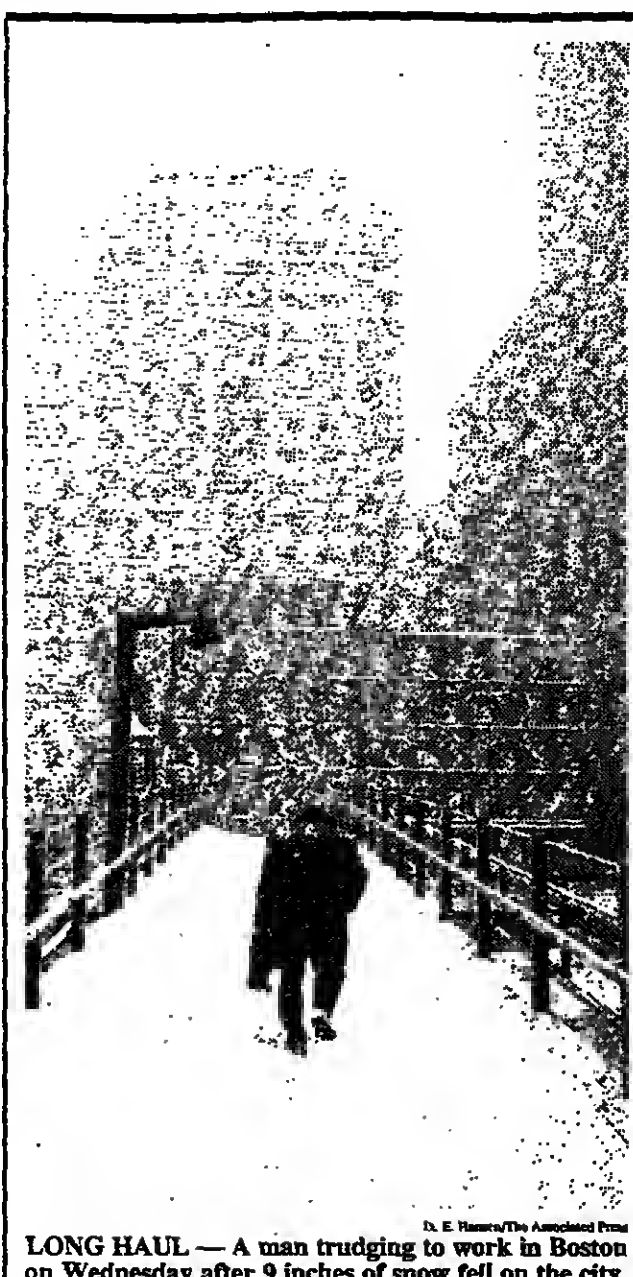
Perhaps this serenity comes from the "ancient Catholic wisdom of the Roman people," as he once described it in an interview. That wisdom, passed to him by an aunt, taught him a few basic axioms: "Never dramatize too much; with time everything rights itself; in life maintain a certain distance from all this; there are few truly important things."

Italian Sleuth Is Accused

Reuters

BRESCIA, Italy — Magistrates have asked that Antonio Di Pietro, Italy's one-time star anti-graft investigator, be committed for trial on corruption charges, judicial sources said Wednesday. They said that magistrates here had recommended that Mr. Di Pietro, a hero for exposing corruption among Italy's old political guard, be tried on charges of extorting bribes and for abuse of office. A senior judge must decide whether to send the case to trial.

Mr. Di Pietro, who resigned from Milan's "clean hands" pool of anti-corruption magistrates a year ago, denies any wrongdoing. Investigations have proceeded for months into allegations that he extracted favors for friends and other purported abuses. Mr. Di Pietro has flirted with entering politics but the latest action appeared to put a brake on such ambitions.



LONG HAUL — A man trudging to work in Boston on Wednesday after 9 inches of snow fell on the city.

The Talk of India: Rao's Racy Novel

Leader's Book Heavy on Sex

By John F. Burns
New York Times Service

NEW DELHI — Since P. V. Narasimha Rao became India's prime minister nearly five years ago, he has been called many things.

Some have described him as visionary, for using a debt crisis in 1991 as the occasion to begin dismantling 45 years of socialism. Others, noting his habitually dour demeanor, have suggested that he has raised dullness to an art.

But nobody, until recently, questioned Mr. Rao's character in quite the manner of a columnist in *The Times of India*, which for much of its 150-year existence has been regarded as an arbiter of official proprieties. The columnist, Soli Sorabjee, a former attorney general and a distinguished legal scholar, did not mince words.

"Is the prime minister a sex maniac?" he said.

In the land of the Kama Sutra, of 1,000-year-old Hindu temples that made eroticism an art, and of raunchy Hindi-language movies that mix thin plot lines with swinging hips, it is safe to say that Indians value sex as much as anything.

But Mr. Rao, 74, a widower, a survivor of a triple-bypass heart operation, and so skilled in deferring tough decisions that admirers describe his political style as "masterly inactivity," has hardly seemed like anybody's Lohario.

Nevertheless, in recent weeks, after 20 years of writing in secret, Mr. Rao allowed a draft of an uncompleted novel to reach two Indian weekly magazines. Without protest from Mr. Rao, the magazines published sections of the novel, tentatively titled "The Other Half," along with some of the sexual episodes that punctuate the plot.

In the resulting free-for-all among literati, politicians and self-appointed guardians of India's moral ethos, a country that usually takes its politicians with numbing earnestness has had an unusual amount of fun.

One magazine, *Frontline*, concentrated on the politics in the novel. The manuscript and its protagonist, Niranjana, a thinly disguised alter ego for Mr. Rao, depict much of Indian politics as shameless hypocrisy.

But it was the sex in the excerpts published by the other magazine, *Outlook*, that set the country abuzz, particularly passages that depict widespread licentiousness among politicians. The narrative says of the generation who took part in India's struggle for independence that they preached self-denial, like Mohandas K. Gandhi, the independence leader, but practiced self-indulgence.

"Many had — or thought they had — hoodwinked Gandhi by wearing short loin-cloths," the novel says, while in reality having sex with "any woman who came their way."

But it is in the character of Niranjana that many Indians believe that Mr. Rao has come closest to describing himself. A Congress Party politician who has made his early career in the southern state of Andhra Pradesh, like Mr. Rao, Niranjana is described in his first intimate encounter with a woman named Sumitra.

"He lay with his head on her lap while she combed through his smooth hair with her fingers and kissed him on the forehead," the novel says. "Then they exchanged places and she rested her head on his chest."

And the silted narrative goes on: "Their bodies, like strangers meeting for the first time, introduced themselves to each other."

With a general election looming in the spring and the Congress Party slumping in the polls, Mr. Rao's associates hope that the novel, by showing a more open side of the Indian leader, will give the party a bounce.

But Khushwant Singh, a popular writer, said Mr. Rao made a mistake by exposing his literary skills to public mockery.

"My advice to him would be to stick to his other job," he said.

Austrian Rightist Is Attacked for Praising Hitler's Waffen SS

Reuters

VIENNA — The far-right leader Joerg Haider came under fierce attack Wednesday for praising Hitler's Waffen SS and saying its officers deserved honor and respect.

The leader of the Austrian Freedom Party said in a television interview broadcast late Tuesday that he did not know the postwar Nuremberg war crimes tribunal had branded the Waffen SS a criminal organization, adding: "It doesn't interest me in the least."

Chancellor Franz Vranitzky criticized Mr. Haider, accusing him of

historical ignorance and political incompetence.

"It should be clear to every single person out there that Haider is not qualified to participate in government," he said.

The veteran Nazi-hunter Simon Wiesenthal told the news agency APA: "The Waffen SS was a murder brigade."

He said he believed that Mr. Haider was attempting to mislead his supporters with his subsequent comments.

In a general election Sunday, the Freedom Party won 22 percent of the

vote, about a million voters. It is Austria's third largest political party.

The interview followed a screening of an amateur video on Austrian state television that showed Mr. Haider praising a gathering in September that included former Waffen SS officers.

The video showed Mr. Haider calling the crowd "decent people of good character" and applauding them for "sticking to their convictions despite the greatest opposition."

"The Waffen SS was a part of the Wehrmacht and hence it deserves all the honor and respect of the army in

public life," Mr. Haider said in a television interview.

A historian, Gustav Spann, said in a radio interview that the Waffen SS was not part of the Wehrmacht, but had been "significantly involved in mass exterminations, gassing Jews, and ethnic cleansing."

Mr. Haider's comments sparked outrage among Austrian politicians across the board.

But Mr. Haider said: "I participated in this event and I don't see any reason not to. While I reject National Socialism, I certainly do not approve of

the wholesale disparagement of the older war generation. I stand by this generation, and I fight against the way it is disparaged."

Vranitzky Gets the Nod

President Thomas Klestil on Wednesday asked Mr. Vranitzky to form a new government after his party's victory in elections three days ago, Reuters reported from Vienna.

His coalition with the People's Party resigned Tuesday but agreed to stay on as caretaker until a new government takes over.

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In touch with your future



France Telecom

INTERNATIONAL

How Will Oman Navigate a Future With No Oil?

By John Lancaster
Washington Post Service

MUSCAT, Oman — A couple of years ago, the story goes, the sultan of Oman was cruising down the highway here when something offended the royal eye. It was a new McDonald's, complete with soaring golden arches. Big Macs were one thing, but the arches had to go. They were too big.

Out went the royal decree, and down came the arches. Such are the joys of absolute power.

Oman is one of those places that is invariably described as "oil rich." The problem is that Oman will not be oil-rich much longer.

Unlike, say, Saudi Arabia or Kuwait, where the oil could last for two more centuries, Oman's known oil reserves will run dry in as few as 17 years. That, in turn, casts a cloud of political uncertainty over one of America's steady allies in the Middle East.

The warning signs are already accumulating: surging birthrates; budget troubles linked to flat or falling oil prices; succession worries, and, last year, the first stirrings of domestic discord, evident in the jailing of 130 Omanis, including high-ranking officials, accused of plotting against the government.

They have since been released, but the symptoms have echoes in other Gulf monarchies, including Saudi Arabia and Bahrain, which, like Oman, maintain close diplomatic and military ties to the United States.

The question now is whether

Oman's ruler, Sultan Qaboos ibn Said, can navigate his country through times of want as shrewdly as he did through times of plenty.

For all the challenges confronting Oman, Sultan Qaboos remains immensely popular in this starkly beautiful country of 2 million people. Many here remember what Oman was like in 1970,

'I am just 36, and when I was 10 years old, we were using candles inside Muscat. I remember all that.'

when the Sandhurst-educated monarch, now 55, overthrew his father with the help of British advisers.

Sultan Qaboos's father had done his best to keep the outside world at bay. At the time of his ouster, Oman was an isolated backwater with three primary schools and 10 miles of paved roads. Omanis who sought education abroad were barred from returning. Slavery was not uncommon. The capital's gates were locked each night at sunset. Even bicycles were banned.

The younger Sultan Qaboos quickly changed all that and, after 25 years of oil-financed development, Oman has largely caught up with its wealthy neighbors. There are new highways, free schooling for all and 157 hospitals and clinics, compared with two in 1970.

The transformation is most evident in Muscat, the capital, where palm-lined boulevards are swept each morning by armies of Indian workers. At night, floodlights illuminate artificial waterfalls tumbling from a rocky outcrop near

the 16th-century Portuguese fort of Mirani, which overlooks the old harbor.

"We consider him Superman because before, there was nothing," said an Omani journalist, downing Heineken and tortilla chips at a Mexican restaurant where a Polish rock band provided the entertainment. "I am just 36, and when I was 10 years old, we were using candles

inside Muscat. I remember all that."

Sultan Qaboos matched his development efforts with new social policies. During his father's time, for example, women were not permitted to go to school. Today, they serve in the police force and hold senior posts in government and business.

"I have met all seven leaders of the Arabian Peninsula and I would say that one-on-one Sultan Qaboos is the most interesting and the most intellectual," said a Western diplomat of long experience in the region.

Although Sultan Qaboos appears somber and formal in public, rarely cracking a smile, he has a degree of accessibility that would be unthinkable almost anywhere else.

He prefers to drive himself, sometimes making late-night tours of the capital in his BMW, alone and unescorted by bodyguards. Every year he drives through the country's interior, camping in the desert and inviting any and all to share their grievances with him.

The sagging oil economy, however, has raised questions about Sultan Qaboos's rule.

Despite flat oil prices over the last decade, his government has continued to spend lavishly, providing citizens with free education and health care and maintaining one of the world's highest rates of military spending.

The country's birthrate, meanwhile, is among the highest in the world. With more than half of Omanis under the age of 15, unemployment looms as a potentially explosive problem.

The World Bank warned in a strongly worded report last year that the government had better learn to live within its means — or else.

It cited, among other things, persistent budget deficits, rising foreign debt and a "pronounced overall decline in saving and investment." It likened the country's oil wealth to "a large inheritance" that was in danger of being squandered.

Adding to such anxieties are questions about who will run the country after Sultan Qaboos. Because he is so closely identified with Oman's progress over the last 25 years, public confidence in his future rides largely on his shoulders.

That confidence was badly shaken in September when Sultan Qaboos narrowly escaped death in an auto accident that killed his top financial adviser.

The accident reminded Omanis that their unmarried sultan has produced no heir and that the country has no formal mechanism for the transference of power.



ENOUGH SOCIALIST REALISM — Workers removing a piece of Socialist art Wednesday from a congress center in eastern Berlin. It goes to the Historical Museum.

Swedes Confirm Invasions by Minks

Reuters

STOCKHOLM — Sweden produced evidence on Wednesday that foreign submarines violated its waters on several occasions in the 1980s and early 1990s, but admitted that some intruders were actually minks.

Supporting a report with slides, films and sound recordings, a government commission vindicated claims that foreign submarines had violated Swedish territorial waters over the past 15 years.

But the commission stopped short of pointing the finger at any one nation, saying evidence uncovered did not justify any definite statements regarding nationality.

The commission was set up after defense chiefs admitted underwater objects originally identified as foreign submarines could have been minks diving for fish.

The panel admitted that navy sonar had on a number of occasions classified minks as underwater vessels. But it said these incidents were few compared to the total number of intrusions.

Sweden in the past accused the former Soviet Union of sending submarines into its coastal waters and pursued a much-publicized but unsuccessful naval hunt for alleged

intruders throughout the 1980s.

In 1981 it protested formally after a Soviet submarine ran aground near a top secret naval base in southeastern Sweden. Moscow blamed a navigational error, but the commission said the submarine had intentionally entered Swedish waters and had carried nuclear weapons.

The panel also said there was no doubt that the foreign powers violating Swedish waters wanted to damage Swedish coastal defense systems.

In the mid-1980s, it said, a mined area off the coast of northern Sweden had been tampered with and damaged.

An investigation showed that electric equipment "at great depth" had been damaged after repeated blows with a hard object.

"The nature of the damage and the depth at which the objects were lying demonstrates that damage was planned and carried out against the Swedish defenses," the panel said.

The commission used the latest analytical technology to review all the data available since the early 1980s.

Between 1981 and 1994, more than 6,000 individual reports of suspected or verified alien underwater activity had been registered, the panel said.

In Russia, It's No Longer Treason to Stay Abroad

Reuters

MOSCOW — Russia's Constitutional Court, scrapping a legal relic of Soviet times, ruled Wednesday that citizens could no longer be charged with high treason for leaving the country illegally or failing to return.

The court formally ended the practice under which thousands of people faced execution or long terms of imprisonment for going abroad without permission.

"The Russian Constitution provides for the right to freely leave the territory of the Russian Federation and return to the motherland without any obstruction," the court ruled.

"This means that criminal prosecution cannot be launched in such cases."

Russia's criminal code, although widely amended since the collapse of communism, still considers illegal foreign travel or refusing to return as equivalent to high treason.

50 Journalists Killed, 22 in Algeria, in 1995

Compiled by Our Staff from Dispatches

PARIS — At least 50 journalists were killed this year while doing their jobs or for expressing their opinions, and another 20 deaths are being investigated, the watchdog group Reporters Without Borders said Wednesday.

Africa was the most dangerous continent, with 28 deaths.

Of those, 22 were in Algeria alone, bringing to 49 the number killed there over the past three years "in attacks blamed on armed Islamic groups," the group said.

It said in cases where no one has been charged in the killings, "impunity is not only a denial of justice, it is also a real encouragement to the killers of tomorrow."

The organization said it was investigating the causes of the deaths this year of 20 other journalists, mainly in Russia and Bosnia-Herzegovina.

In Algeria, meanwhile, a bomb planted in a café exploded on Wednesday in the center of the town of Mostaganem, wounding 23 people, the Algerian news agency APS said.

The blast, in the coastal town 280 kilometers (175 miles) from Algiers, caused extensive damage and was the second bomb explosion reported in Algeria in 24 hours.

Early Tuesday, a car bomb blew up during a chase by security forces in Tizi-Ouzou, 90 kilometers east of Algiers, killing two Muslim fundamentalists inside the vehicle and wounding 42 people, the security forces said.

Wednesday's blast occurred as the country's main Arabic newspaper said that the presidency was gearing up to open talks with opposition parties to shape Algeria's political map through parliamentary elections next year. (AFP, Reuters)

ADVERTISEMENT

THE FACTS ABOUT THE SITUATION IN SRI LANKA

In recent weeks the Liberation Tigers of Tamil Eelam (LTTE), which has been conducting a campaign of terror in Sri Lanka for over 12 years, has suffered several major defeats. Domestically its oppressive grip on Jaffna has been broken and the myth of LTTE invincibility has been shattered. Abroad the LTTE's active involvement in the promotion of international terrorism, narcotics trafficking, trade in illicit arms, the smuggling of illegal immigrants and money laundering is being investigated in several western capitals.

In the wake of these defeats, LTTE front organisations have begun to disseminate falsehoods in order to divert attention, arouse sympathy and to raise funds for the depleting war-chests of the LTTE. To deal with some of these false claims and to help clarify the situation, we present the following comments made by respected independent sources and the President of Sri Lanka.

RESPONSIBILITY FOR THE RESUMPTION OF HOSTILITIES

"I think international reaction to the LTTE breakdown of the negotiations was explicit and must have given an unmistakable message to the LTTE leadership and to the Tamil community in the north and indeed overseas Tamils who perhaps are a little romantically inclined when it comes to supporting some of the excesses of the LTTE. I think the message should have been very usefully given, that this sort of behaviour must expect to get a very sharp international reaction. They can't expect to have any kind of international support, when they obviously sit on a so potentially viable peace process."

Australian Foreign Minister Gareth Evans, to the international press in Colombo, 22 May 1995.

"Prabhakaran and his colleagues will have to bear the responsibility for the resulting casualties, especially of the civilians. Though the Sri Lanka Army would do well to show restraint, the government cannot afford to yield to the demands for Eelam. In that respect they are fighting a war not only for the integrity of Sri Lanka but to uphold the principle of territorial integrity of all multi-cultural, multi-ethnic nations."

Editorial in the Kathmandu Post (Nepal), 30 November 1995

INTERNATIONAL CONDEMNATION OF THE LTTE

"Mr. Prabhakaran has established a rule of terror in the city of Jaffna...many of his own lieutenants have been murdered; Tamils who have criticised him, even idly or in jest have been picked up, tortured, and executed; others have been held in dungeons, half-starved, hauled out periodically for a battering by the guards... He (Prabhakaran) has shown a bloodthirstiness in dealing with opponents that has compared with some of the cruellest figures in Asian history, including Pol Pot of Cambodia."

New York Times, 28 May 1995

"We condemn the recent brutal massacres of civilians which have taken place, especially those in the North and East of Sri Lanka. These outrages bear all the hallmarks of operations carried out by the LTTE and deserve the condemnation of the entire international community."

Statement by UK Minister of State for Foreign and Commonwealth Affairs Jeremy Huntley, 6 November 1995

THE UN REACTION TO THE SRI LANKA SITUATION

"Let me first say very firmly that the Secretary General has never questioned what the Sri Lanka Government had been, or was doing, on the humanitarian front. The Department of Humanitarian Affairs continued to follow the situation in Sri Lanka very closely and was maintaining contact with the Sri Lankan authorities regarding the humanitarian needs in that country. The Government had assured that it was able and willing to provide the necessary humanitarian assistance for the affected population within the conflict areas. The International Committee of the Red Cross (ICRC) was in the area, playing a key role in ensuring humanitarian assistance. The United Nations resident coordinator, who headed the local emergency task force, was in contact with the newly designated focal point for relief assistance established by the Government. The United Nations was following the situation."

Spokesman of the UN Secretary General, 9 November 1995

THE CONDUCT OF THE SECURITY FORCES IN THE RECENT OPERATIONS

"Our young men have not only braved all the dangers in the defence of their motherland and shed their blood but they have also acted as civilised, well disciplined, religious human beings and not in the fashion of conquering armies looting houses, stealing goods, raping the defenceless and killing innocent civilians."

Rt. Rev Dr. Nicholas Marcus Fernando, Archbishop of Colombo, in a message on 3 December 1995

HUMAN RIGHTS

"The Foreign Minister and I will be talking about, among other things, the great progress they've made in Sri Lanka in the field of human rights, which you can see from our human rights report this year, is one of the happy stories."

US Secretary of State Warren Christopher welcoming Sri Lankan Foreign Minister Lakshman Kadirgamar at the State Department, 2 February 1995

"The Commission condemns abuses of human rights by the LTTE and strongly urges it to desist from such acts... The Commission expresses its support for the peace process initiated by the President of Sri Lanka and strongly urges the LTTE to respond positively and speedily to the steps taken by the Government and to take all necessary steps towards the achievement of a durable political solution."

Chairman, UN Commission on Human Rights (Geneva), 7 March 1995

"Commends the Sri Lankan people and the Government of Sri Lanka for the significant improvements in Sri Lanka in the area of human rights...applauds the commitment to democracy demonstrated by the Sri Lankan people, in defiance of brutal acts of wanton terrorism...calls on the LTTE to desist in its resort to arms, and to return to the negotiating table."

from the Resolution passed by the US House of Representatives on 18 September 1995

CONSCRIPTION OF CHILDREN

"The LTTE recruits boys and girls from the age of 10 upwards. Their dependence on child combatants is increasing rapidly."

Statement to the press by UNICEF Representatives in Sri Lanka, Ms Brita Ostberg, 11 December 1995

CRACKDOWN ON THE LTTE'S ACTIVITIES ABROAD

"A suspected leader and Canadian fund raiser for the terrorist Tamil Tigers has been arrested on terrorist related charges. The funds were transferred to Sri Lanka for use by the group to purchase weapons and equipment in their fight against the government."

Toronto Star (Canada), 20 October 1995

"Calls on European Union member states to monitor the LTTE offices operating on the territory of the EU and to ensure that their agents respect the law and take no part in terrorist or intimidatory activities."

from Resolution adopted unanimously by the European Parliament on 16 November 1995

DISPLACEMENT OF CIVILIANS FROM JAFFNA

"Jaffna is a ghost town. Most of the 250,000 inhabitants have left. Some have doubtless gone in fear of the advancing army. But the majority were ordered out by the Tigers."

The Economist (UK) 18 November 1995

"Tamil refugees reaching government controlled areas have confirmed earlier government assertions that the rebels forced them at gun point from their homes in Jaffna."

New York Times, 6 December 1995

PROVISION OF FOOD AND OTHER REQUIREMENTS TO THE DISPLACED

"Sri Lanka presents the unusual situation of a central government providing relief aid to persons under control of opposition groups. In a world replete with examples of Governments and rebel groups using food as a weapon against civilians the situation in Sri Lanka is one that deserves closer attention if not more publicity as an important precedent."

Dr. Francis Deng, Special Representative of the UN Secretary-General on internally displaced persons in his 1994 report to the UN Commission on Human Rights

"The Government (Sri Lanka) appears to have done a commendable job feeding and sheltering them (the internally displaced), avoiding what would become a human catastrophe."

Times (London), 4 December 1995

TOWARDS A LASTING PEACE IN SRI LANKA

"The unravelling of the devolution proposals makes clear the effort of the Sri Lankan Government to distinguish between the obligation to respond sincerely to the long standing problems of the Tamil minority and the necessity to deal sharply with the LTTE's dangerous and fascist brand of terrorism. Sri Lanka's Government has shown a pioneering and courageous approach to conflict resolution which should serve as a model for the entire South Asian region."

Editorial in the Hindu (India), 4 August 1995

"We transformed our peace programme into a battle for peace only in order to defeat attacks against peace. At this moment of our victory let us not crow over military victories. I request my people of the Sinhala community today to continue steadfastly to show the same patience and humaneness you have so well demonstrated in the face of all provocation by extremists on both sides of the divide. I ask my people belonging to the Tamil community to continue to recognise that our government is ready to implement programmes to resolve your problems. Although some of you may have agreed to accept the authority of a terrorist regime as you may have had no alternative previously, today you have been offered the supreme opportunity to free yourself from the bondage of intolerance and terror perpetrated by the extremists on both sides. You do not need to continue any more the sacrifices you made with the blood and lives of your children...I invite all those who left Jaffna to return to their homes and lands and live normal lives in peace and security. My government undertakes to ensure you that. I invite all members of the LTTE to lay down arms and renounce violence. The government will offer you an amnesty and your safety."

Sri Lankan President Chandrika Bandaranaike Kumaratunga on 6 December 1995

in an address to the nation after the liberation of Jaffna

The above comments make it clear that it is the LTTE and its sympathisers who continue to be the obstacle to peace in Sri Lanka. No right thinking person should therefore make any contribution to LTTE front organisations which describe themselves as rehabilitation bodies or Tamil foundations. Those interested in making financial contributions to the humanitarian effort to help displaced persons in the north of Sri Lanka should send such contributions to internationally recognised and respected organisations — the ICRC, OXFAM, Save the Children Fund, UNHCR amongst others — who are presently assisting the government of Sri Lanka in its humanitarian relief programme.

CENTRE DES BEAUX ARTS SRI LANKAIS DE PARIS

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EDITORIALS/OPINION

Herald Tribune

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Indian Nuclear Test?

India apparently is preparing a nuclear test. The government denies it, but along lines of the denial that preceded its first "peaceful" test in 1974.

The evident purpose is to give India's championing nuclear technicians a chance to improve certain warheads for its own missiles before next year, target date for agreement on a global test ban.

It is possible that India's government will not proceed beyond preparations to an actual (underground) test. But if it does, the test would be a defiant slap at global nonproliferation and would leave India in the company of China and France, discredited by their testing.

The danger of a test is not that it would of itself precipitate another war with similarly nuclear-capable Pakistan. But a test could accelerate the missile-and-bomb competitiveness of these two long-fueled rivals. It could further fray their mutual capacity to control their recurring border crises and war scares. It could exclude them from the collective of nations now joining in post-Cold War global nonproliferation efforts.

All this so that a hard-pressed, election-bound Indian government can satisfy the nuclear enthusiasts among the Hindu nationalist opposition and the

government's own technological elite.

Who can forget India's repeated and fervent declarations that Americans were mired in Cold War attachment to nuclear arms? But now an opening for statesmanship looms before Indian leadership. India can rise above the travails of the Asian subcontinent and conform its national policies to global efforts to halt nuclear testing (a qualitative limit on arms building) and to cap production of fissile materials (a quantitative limit).

Last year Washington tried brokering Indian-Pakistani nuclear restraint. It failed. India would not accept controls that did not also bind its larger rival, China. It never enjoys American prompting anyway.

American diplomacy has not abandoned efforts to induce India and Pakistan to forgo missile deployment, stop testing and accept a fissile material ban. But it is also pursuing the last two of these objectives on a global, or "comprehensive," basis. The idea is that India could better share certain limits with greater China than with lesser Pakistan. None of this is likely to materialize, of course, if India is determined to go its own Cold War-like nuclear way.

—THE WASHINGTON POST.

Succession in Haiti

Sunday's presidential election in Haiti marked a milestone for democracy there and a success for U.S. policy. Next February, for the first time in nearly 20 years of Haitian independence, one democratically elected president can yield power to another. That was one of President Bill Clinton's main goals when he dispatched more than 20,000 American troops last September.

The winner, by a large margin, was René Préval, who ran with the powerful endorsement of the incumbent, Jean-Bertrand Aristide.

While the polling was generally free of the disruptions that marred recent parliamentary elections, voter turnout was low and the campaign was disappointingly short on serious debate.

Mr. Préval, who served as prime minister during the chaotic first months of Mr. Aristide's presidency before the 1991 military coup, is known as a strong Aristide loyalist. But he has a credible record of his own and need not simply be a conduit for the outgoing president's

orders. Mr. Préval's credentials as an opponent of dictatorship go back almost a decade.

But his own views may be irrelevant. Mr. Aristide gives every indication of intending to rule indirectly through him, perhaps by having himself designated prime minister. That would be unfortunate. The formal achievement of a democratic passage of power would be meaningless if Mr. Aristide continued ruling behind Mr. Préval.

Haiti's transition from decades of abusive government and economic stagnation has a long way to go. Excessive concentrations of political and economic power and a culture of arbitrary policing remain largely in place. The next president will face severe challenges, beginning with the departure of the United Nations forces only weeks after inauguration day.

To govern effectively, Mr. Préval will have to demonstrate early that he can make hard decisions on his own.

—THE NEW YORK TIMES.

A NAFTA Delay

The North American Free Trade Agreement permits free movement of Mexican and American trucks on both sides of the border. That promises dramatically increased commerce. But fears of accidents involving Mexican trucks in the north, along with Mexico's concerns over American competition, have prompted both countries to postpone a general border opening scheduled for this past Monday.

This delay is no cause for worry over holding up a key NAFTA measure — provided both countries use the time to strengthen safety rules. NAFTA's long-term workability is well served by making sure that when national standards are meshed, they are "harmonized up" to higher U.S. standards.

Legions of monitors will scrutinize the process of thrashing out the rules. Safety watchdogs will watch for any relaxation of truck weight, equipment and work-hour standards. Environmentalists will guard the rules governing inflammable or toxic cargo. And U.S. law enforcement officials are wary about increased drug smuggling.

U.S. trade officials and the Transportation Department have their own incentives to keep standards high. A political adviser to President Bill Clinton observed recently that one big accident could make the entire treaty "look like a pretty disastrous idea." That puts it rather starkly, but it aptly describes the need for further planning.

—THE NEW YORK TIMES.

Lighting Up the Lobbies

You wouldn't know it, what with all the partisan rancor over the budget, but there was actually some sensible and bipartisan legislation going on this week in Washington. We refer to the signing of the lobby reform bill by President Clinton yesterday. It is a reasonable approach to a real problem.

The bill would essentially make the lobbying disclosure laws mean what they claim to have meant for the last four decades. Congress years ago required lobbyists to register and make some disclosure about what they did. But loopholes enabled thousands whose jobs involved what, by any reasonable definition, could be called "lobbying" to get around registering.

Thanks to the new law, it will be apparent who is pushing for what legislation and who is spending how much to influence whom.

"Some of the lobbyists who have been excessive in terms of the amount of money spent are going to have to think twice," said Senator Carl Levin, Democrat of Michigan. "If the public finds out special interests spent a fortune to defeat a bill, it could have a negative impact."

At the beginning of this Congress, legislation was approved requiring the leg-

islature itself to live under many of the labor and other regulatory laws that it had passed for the rest of the country — a useful blow against the idea that Congress somehow put itself above the law.

Both houses have passed tough restrictions on the gifts that senators and representatives can accept.

But real change in the way Congress does business will not come until the most important and difficult part of the reform agenda falls into place: changes in campaign financing that will reduce the need for members to beg for money from every interest group in town.

Many of the good legislators who have announced their retirement this year, such as Senator Nancy Kassebaum, Republican of Kansas, have spoken of the toll taken on politicians and the democratic system by the sharp inflation of the cost of campaigns and the resulting need for endless fund-raising. In both the House and the Senate, bipartisan alliances resembling those that pushed through the other reforms have some answers. The reformers should not rest until they resolve the campaign spending issue, which lies at the core of Washington's influence business.

—THE WASHINGTON POST.

Inch by Inch, at Best, With Assad the Process Player

By Jim Hoagland

WASHINGTON — Immobility is Hafez Assad's thing. The Syrian president advances inch by inch by extruding inch by inch. His opponents pay for each tiny adjustment.

I have conducted two totally frustrating and exhausting interviews in my life. Both were with Mr. Assad, who uses an hour of evasive monologue to clear his throat for two hours of minutely calibrated talk.

Those two sessions came to mind last week as I watched Shimon Peres, the mercurial and visionary Israeli prime minister, bound about Washington talking up the chances for a deal with Mr. Assad before next November's Israeli and U.S. elections. I wondered if Mr. Peres had any idea what he is getting into. It is hard to imagine two more dissimilar styles of leadership, or two more dissimilar men.

Mr. Peres is quicksilver, Mr. Assad concrete. Mr. Peres will launch a thousand shafts of ideas into the air while Mr. Assad is still contemplating the way the notch of a single arrow fits into a bowstring. Mr. Peres is a free-wheeling cool jazz quintet; Mr. Assad plays medieval dirges on the bassoon.

Process is everything to the Syrian, immaterial to the Israeli. That gap brought grief to the effort by the late Yitzhak Rabin

to woo Mr. Assad into serious peace talks earlier this year. And it remains the biggest obstacle that Mr. Peres has to overcome in pushing what is now a half-wish, half-plan to sweep Mr. Assad into a grand Arab-Israeli pact of friendship and peace sponsored by the United States.

Mr. Rabin's more modest effort produced publicly announced meetings between the Israeli and Syrian ambassadors to the United States and the military chiefs of staff of both nations. But Mr. Assad prevented those talks from moving to the substance of trading full peace with Israel for the Golan Heights territory taken by Israel in 1967. He spurned higher-level secret talks, insisting that Israel agree in advance to return the Golan before substantive talks began.

His demand for the Israelis to pay with substance for Syrian concessions on procedure chafed Mr. Rabin, who in the weeks before his assassination made evident his frustration with Mr. Assad and his dwindling hopes for peace on the Syrian front. The preliminary talks were suspended.

But Mr. Peres has no time for despair. By an act of will he has perceived an

opening for new peace efforts in the state-controlled Syrian media's sympathetic coverage of Mr. Peres's new peace efforts and public remarks by Assad aides.

On his first visit to Washington since succeeding Mr. Rabin, Mr. Peres indicated that he believed that the assassination of Mr. Rabin has finally convinced Mr. Assad that there is a genuine difference between his governing Labor coalition and the Likud opposition, and that it is in the Syrian's advantage to deal before November's elections.

The Israeli agreed to relaunch the Syrian-Israeli contacts on Dec. 27 in Washington. He took personal control of the Syrian track, which had been run by Mr. Rabin, by naming his trusted lieutenant Uri Savir to represent Israel. Mr. Savir is the second-ranking official in the Israeli Foreign Ministry and headed the secret negotiations with the Palestine Liberation Organization in Oslo in 1993.

Mr. Assad has not disclosed his intentions, but may simply send his Washington ambassador again to the talks. That would be vintage Assad.

In his discussion with President Bill Clinton, Mr. Peres outlined in general terms his thinking on a region-wide security pact that would fall into place once

Syria and Israel make peace. That was vintage Peres, using a grand design of the future to hurry along the mundane details of the present.

The experience that Mr. Peres and Mr. Savir have had with the PLO's Yasser Arafat may lead them into exaggerated expectations about Mr. Assad. Mr. Arafat agreed to peace with Israel as an escape forward — a military tactic in which an army unit that is cut off and doomed tries to break through the enemy's front lines, hoping to survive until rear-echelon forces push the front forward and rescue the desperate attackers.

Politically it is probably to Mr. Peres's advantage to go into the November elections with talks with Syria started, looking promising but not completed. Mr. Assad promising but not completed. Mr. Assad may play along. It costs him nothing. His brutal repression has made sure that he will never face an electoral challenge at home.

Also helping the prospects of the new Washington talks is that Mr. Assad has in Secretary of State Warren Christopher an American interlocutor as captivated by Mr. Assad as he is. But Mr. Peres and Mr. Christopher can be sure of only one thing with Mr. Assad: Whatever movement there is, it will not come easy — or free.

The Washington Post.

Posthumous Communism, but Real Power in Russia Is Elsewhere

By William Pfaff

PARIS — Communism is back, in Russia and indeed nearly everywhere in the ex-Soviet bloc. Yet Communism is finished. History does not repeat itself, in this case even as farce.

Communism as a theory of history and human progress was dead in Russia by the time Stalin had finished with it. It feebly survived until the 1970s in Western Europe, in certain university faculties and among romantic students. Rumor has it that Marxism came to life again in the United States. But in the real world it has no believers today.

Communism now is mere technique for obtaining power by exploiting the popular desire for order and a modicum of well-being.

These Russian election results would be more important if the Communists could actually deliver order, at an acceptable cost, and an egalitarian prosperity.

The need for both is urgent. Economic reform has been accompanied not only by falling material standards for most Russians but by a degradation in how people live. The mortality rate has risen by 40 percent since 1990.

The Communists' victory will change little of this. Parliament has very limited powers. The government of Boris Yeltsin will continue on what it presents as a course of post-Western reform.

The Communists' electoral success was also an expression of national ambition and a reaction to national humiliation. People ask: How can my country have fallen so low? Both the Communist party and the nationalists answer that the West is to blame.

Anti-Westernism is an important political force, testament to the lack of wisdom of those West-

ern theorists and officials who have aggressively intervened in Russian reform, as if that nation were a patient etherized upon a table, available for grand if alien experimentation. The creature thus created walks, demanding revenge for what was done to it.

Western observers say that all owe rides on whether the liberal and reformist parties and personalities in Russia will overcome the rivalries that divide them and present a single presidential candidate in the spring. Mr. Yeltsin, with his several illnesses, seems determined to run despite the divisions of the reformers in this parliamentary campaign. The evidence that a united reformist front will exist in June is slight.

Yet that is not perhaps the real threat. Government in Russia today is not the power that government is in most of the rest of

the world. Power is exercised by political-economic clans issued from the old power structure, the intelligence and security apparatuses in particular, the energy and raw materials industries, the state arms and aerospace manufacturing groups, financial interests, and regional political and economic establishments.

This is a logical sequel to how power was divided in the past. Under the Soviet system, real power was in the hands of those who knew how to work the system and deliver what it demanded. The recent electoral successes of former Communists in East-Central Europe and Russia are due in part to the fact that these people ran administrations and ruled industries in the past, and still know how to make things work. They certainly are more competent than many of the reformers, who had not before held power.

This means that power in Rus-

sia today is largely unelected, therefore illegitimate, frequently possessing criminal alliances.

The real struggle is not between reformers and Communists or nationalists in the open political arena, but among occult or quasi-occult power centers. They are concerned with domestic reform, or Russia's position in the world, only as these may affect them.

While the relatively high turnout in Sunday's parliamentary elections, and the high level of political activism, would seem positive signs for Russia's democratic future, elections may not have that much to do with Russia's future — or with whether the future will be democratic.

The unsettled question is whether the elected state will govern. Or whether it will merely supply the facade that conceals those who possess the true power.

International Herald Tribune.
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Things the Troops in Haiti Can Teach Comrades in Bosnia

By Thomas L. Friedman

PORT-AU-PRINCE, Haiti — The Bosnia debate is over. U.S. troops are on their way. The only thing worth arguing about now is how that peace effort can succeed. So I came to Haiti to ask U.S. soldiers what they had learned that might be helpful for their comrades in Bosnia. Here are the lessons they offered.

Define success as something you can achieve in a year. U.S. peacekeepers in Haiti defined success as giving Haiti a decent chance to develop into the Dominican Republic — its poor Caribbean neighbor, which at least has some democracy, a functioning economy and stability. They are not building Sweden here.

I witnessed a meeting that President Jean-Bertrand Aristide held with some visiting U.S. dignitaries. At the end, an American clergyman presented all the guests to bow their heads and pray that they had begun to turn Haiti "from misery into poverty." By that yardstick, the U.S. mission in Haiti could be judged a success.

Always invite the Bangladesh battalion to dinner. In Haiti, as in Bosnia, there are many Third World countries cooperating with U.S. forces. Always let them eat in

your dining hall with U.S. troops so that the locals will understand that they are part of your force. The bad guys never dared attack U.S. peacekeepers in Haiti, but they frequently harassed the Bangladeshis and Djibouti battalions. Remember: In Somalia, 18 U.S. Marines got killed because they were trying to avenge an attack — not on themselves but on Pakistani UN peacekeepers.

Diplomats make treaties, 19-year-old platoon commanders make history. A young squadron leader from the 101st Airborne told me that one day his unit was out on patrol and a Haitian man pointed out a house loaded with gang weapons. They did nothing. The next day they discovered that the man had been murdered. "We felt real bad," said the squad leader.

Other times, he said, his troops intervened to seize weapons or break up fights. "You have to strike a balance between helping them and not letting them think you are going to solve all their problems for them," he explained.

That is a judgment call that young squad leaders will make in Bosnia every day. Pray for good judgment. To think that the United States can just separate warring factions and not get drawn into their human problems is an illusion.

The U.S. Army ends up doing most everything. Yes, international organizations were supposed to rebuild Haiti, while U.S. troops just provided security. But 15 months after the U.S. forces arrived, a U.S. Army lieutenant colonel with an engineering degree is still in charge of Haiti's power generation, because he was the only one with the moxie and authority to bull his way through all the bureaucratic snags to keep the generators running. When he goes, so might the lights.

A year doesn't buy what it used to. Standing in Haiti's Cité Soleil slum, I saw a pig walk down the street that was as big as a hippopotamus from eating all the garbage around. A relief worker told me that the good news was that three years ago those pigs used to feed off corpses left in the streets from political slayings. The corpses are gone now, because the U.S. troops have restored basic security and a

police infrastructure to Haiti. Haiti still has no power, no public schools, few working sewers, no good roads, no industry and no good roads.

Get ready for mixed emotions. As an American, I watched with pride as U.S. soldiers, standing in garbage, protected Haitians voting in their most democratic election ever. But I worry that we have provided security and democracy for a country that is still hollow. It has no economy, a ravaged environment and a cynical upper class that U.S. troops refer to as "MREs" — morally reprehensible elites.

The changes wrought in Haiti are on the surface. It's like the voting station I visited that had chicken feathers on the floor; it was a cockfighting ring the other 364 days of the year. If the 2,200 U.S. troops vacate Haiti as scheduled, on Feb. 29, the new Haitian police force will soon collapse. We have to find a way to continue helping them in a new guise.

One year may be all the U.S. public can tolerate, but it is not even the minimum Haiti needs to have any hope of becoming the Dominican Republic.

The New York Times.

Tune Back In, Friends of Cambodia, the Crisis Show Isn't Over

By Michael Leifer

PHNOM PENH — The pomp and circumstance of royalist coexist in Cambodia with vehement denunciations of foreigners who have the temerity to point at the violation of a constitutional process provoked Hun Sen into making impassioned speeches threatening retaliation.

These days, King Sihanouk can only reign, not rule. He urged his half-brother to take the option of exile rather than risk trial and the ire of Hun Sen, a former member of the Khmer Rouge. Prince Sirivudh is to leave this Thursday for voluntary exile in France.

There are many interpretations of current Cambodian politics, including the likelihood of Hun Sen's fear of assassination. Cambodia has regressed politically since the heady days of UN intervention and the holding of democratic elections.

The UN transitional authority solved the Cambodian conflict as an international problem, and the Khmer Rouge have gone into political and military decline. However, Hun Sen's Cambodian People's Party — which was put into power in January 1979 as the pro-Communist Kampuchean People's Revolutionary Party by the Vietnamese invasion force that ousted the Khmer Rouge regime — has resumed its former dominant role, despite coming second in the elections to the royalists.

Before the elections, Hun Sen's party controlled the armed forces, the police, key ministries and much of the local administration. By threatening to use force to secure a dominant place

risk because of Hun Sen's intransigent personality.

That immunity was removed in a closed session. Foreign criticism of the violation of a constitutional process provoked Hun Sen into making impassioned speeches threatening retaliation.

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in the coalition government with the royalists, it distorted the outcome of the elections conducted under UN auspices.

Prince Ranariddh evidently feels he has no choice but to work in an unholy alliance with Hun Sen. He does not have access to real power. His divided royalist party has failed to secure its share of military and administrative resources. For his part, Hun Sen is content to act in nominal junior partnership to sustain international recognition. The result is a strong-arm regime that intimidates opponents and lets unscrupulous foreign interests exploit natural resources.

The dictatorial style of government has shown itself unwilling to tolerate any legitimate challenge. This was exemplified by the removal from office last year of Sam Rainsy, the royalist finance minister, which prompted Prince Sirivudh's resignation as foreign minister in protest. Sam Rainsy was subsequently expelled from the royalist party and then from the National Assembly.

His move to create an opposition Khmer Nation Party has been the precipitating factor in the current political crisis. The opportunistic arrest and exile of his friend Prince Sirivudh served to create a climate of fear to fend off all challenge. It demonstrated to would-be dissidents the cost and futility of opposing the regime.

Sam Rainsy's party has been refused registration, and should he return from France, where he has been highly critical of Hun

Sen, another political crisis is likely to follow.

Hegel has been credited with saying that when history repeats itself, it does so first in tragedy and then in farce. Cambodia has had more than its fair share of tragedy. Its contemporary political scene displays undoubted elements of farce, but tragedy still hovers.

Those countries in Asia and the West which strongly supported the Paris peace agreement of October

1991 that paved the way for UN intervention seem reluctant now to assume their responsibilities under its terms. They have an obligation to tell the Phnom Penh government to observe the terms of Cambodia's democratic constitution.

The writer, professor of international relations at the London School of Economics and Political Science, contributed this comment to the Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1895: Canada in Peril?

HALIFAX, N.S. — Eastern Canadian papers regard war with the United States as only a question of time. The St. John's Telegraph says: "Canada must prepare for armed invasion. The ulterior motive of the Americans is to capture Canada, as it was in 1812." The Halifax Herald says: "The sooner Canadians realize the seriousness of the danger and get together for the purpose of preparing for it, the better for all concerned."

them when making up their dance programmes. This girl is quoted as saying: "Why, mother, every chair in the ladies' dressing room is piled high with corsets. Who wants to be a wallflower?"

1945: Atomic Control

LONDON — The Three-Power Conference of Foreign Ministers in Moscow was reported to have made hopeful progress toward agreement on the problem of United Nations control of atomic energy. Private reports were said to show more optimism on the part of Secretary of State James F. Byrnes and Foreign Secretary Ernest Bevin than when they first arrived in the Soviet capital for their conference with Soviet Foreign Commissar Vyacheslav Molotov. The conference covered, among other subjects, the questions of future control of atomic energy and Japan. The talks on future control of atomic energy are said to have gone surprisingly well.

1920: Corsets Scorned

INDIANAPOLIS — Local girls discard their corsets at dances, according to facts revealed by mothers at the Women's Club, where they discussed the trouble they have in getting their daughters to wear corsets. One woman said that her daughter confessed that she takes hers off because the boys call corset-wearers "Old Ironsides" and refuse to consider



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OPINION/LETTERS

Unlike America, Europe Hasn't Mugged Its Cities

By Neal R. Peirce

STUTTGART — By the tens of thousands, from late morning to the icy darkness of the early winter nights, Germans have been flocking this month into the center city blocks of Stuttgart, visiting the 250 elaborate stalls set up for Europe's biggest and perhaps grandest Christmas festival.

For the children there are puppet shows, wooden toys, candies and gingerbread houses, miniature steam train rides and vivid images of Christmas light and cheer.

Adults in search of gifts can find delightfully inventive carved figures, jewelry and pottery, beeswax candles, painted and stained glass.

Wurst and heated waffles, biscuits and stollen are all on hand. A delicious fragrance of spiced glühwein floats through the air, quaff a cup and your chills quickly flee. A shared Christmas spirit seems to pervade the crowds.

Stuttgart is not alone: Vienna has reinvented its Advent market, a tradition traceable to 1298. Salzburg, Innsbruck, Nuremberg, Munich, Heidelberg, Strasbourg all offer lively Christmas festivals, too.

And for Americans, there's an added wonder: These lively markets aren't just once-a-year revivals in the core of half-deserted cities. Far from it, the department stores, the shops, the center city restaurants and coffeehouses throb with activity all year long.

But as my journalist colleague Alex Marshall reported, in a *Metropolis* magazine article entitled "Euro-Sprawl," compact downtowns, public squares and fountains aren't all there is to the Continent's urban life.

Vast numbers of middle-class Europeans, Mr. Marshall says, have moved out to secluded subdivisions, shopping in ugly malls surrounded by endless stretches of parking lots, driving on traffic-clogged freeways.

Yet even if city-loving Europeans have begun to emulate Americans' search for automobile and a yard to call one's own, they haven't committed the almost unpardonable sin of American metropolises — letting big chunks of the center cities and older neighborhoods sink into decay.

Instead, virtually every European city has preserved, rebuilt and continued to invest, invest, invest.

A critical reason why the Continent's wondrous Christmas markets are even possible is the immense premium placed on public transportation. Parking in or near downtown Stuttgart, for example, is prohibitively expensive.

Yet there's a remarkable and growing array of trolley lines, newly operating underground in center city as well as connecting aboveground with neighborhoods both close-in and on the periphery of the region.

Since the 1960s, when they saw how private automobiles could engulf and pollute their treasured cities, Europeans have been fighting hard to reclaim public space by enhancing mass transit, bicycling and walking.

Some European innovations — large vehicle-free pedestrian zones in center cities — have not and likely would not work in most American metropolises.

But a delegation of U.S. transit officials, visiting Europe this year, discovered not just massive investments in transit but system innovations that might serve America well.

Zurich, for example, has 43 public and private transit operators providing a total of 262 commuter rail, light rail, bus and trolleybus lines, paddle-wheel lake steamers, mountain rail and cable car lines.

The goal, reports the newsletter *Urban Innovation*, is a transit stop within 300 meters — 1,000 feet — of every doorstep.

To coordinate it all, Zurich — like Munich, Frankfurt, Bern and other European cities — has a regional transportation association. Fare integration among the operators is facilitated by use of pre-purchased smart cards, so customers don't have to make cash payments trip by trip.

Another growing idea: coordinated, dynamically scheduled nighttime taxi service that meets transit riders at suburban stops and takes them (at subsidized rates) directly to their homes.

In Salzburg, where public transit, biking and walking account for a phenomenal 63 percent of all trips, the private radio taxi association picked up nearly 50,000 nighttime passengers last year. Such service, reports the *Urban Mobility Corp.*, could benefit many American cities where fear of crime discourages many potential nighttime riders.

High technology and aesthetics help, too. Strasbourg has a fleet of futuristic low-floor

tram cars but has also worked to make the trip visually pleasant by planting more than 1,000 full-sized trees and encouraging striking images by artists along the tram route.

Strasbourg also offers a rental bike fleet and electrical rental cars downtown. "Public automobiles," for rent by the hour by visitors or residents with short daytime trips to make, started in Switzerland and Scandinavia. The service has now spread to Germany, Austria and France. In place of everyone's parking car on city streets, "public autos" represent an intriguing future alternative.

The lesson seems to be that big-time investment and latest technologies — but also aesthetics and ingenuity — must be melded into the formulas for cities that work for people.

The Europeans seem intent on preserving and rebuilding a public order of shared transportation and shared streets and plazas. Americans, with their private cars, socially stratified malls and gated communities, seem to be racing in the other direction toward faceless suburbia.

A wondrous shared experience like Stuttgart's Christmas festival is a bittersweet reminder of how much Americans are missing.

Washington Post Writers Group.

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A Shrinking Space for Psychoanalysis

By Richard A. Shweder

STANFORD, California — There is a panic inherent in the anticipation of professional extinction that is the dread of Freud's disciples these days.

The announcement by the U.S. Library of Congress that it would shelve an exhibition titled "Sigmund Freud: Conflict and Culture" coincided with the winter meeting of the American Academy of Psychoanalysis, prophetically titled "Is There a Place for Psychoanalysis in Contemporary Culture?" — thereby confirming the fear of many psychoanalysts that the answer may be "no."

The library's halfhearted decision to put the great guns in cold storage left some analysts in a sweat, feeling defensive, unloved and full of self-doubt about their prospects in the intellectual

MEANWHILE

and economic marketplace. The delay is probably less important than it seems. The authority of curators to be unchallenged arbiters of taste has evaporated over the past decade.

In this age of "identity politics" and hotly contested points of view, the very idea of "public culture" has become an oxymoron.

And one does not need a degree in economics to figure out that if exhibitors cannot be highly selective, discerning and partial, then any display or narration about a controversial subject is probably going to be too expensive to mount. The library was just spineless and poor.

The declining mental health of America's psychoanalysts, however, is a real matter for concern. Is there a place for psychoanalysis in contemporary culture? What should we tell them to do about their dread?

For starters, let's not deny their reality. Freud has many intellectual enemies. And they are far more numerous and varied than the 42 critics — including Gloria Steinem and Oliver Sacks — who

signed a petition urging the Library of Congress to shelve the Viennese doctor with venom rather than just glory.

Here is the short version of the enemies list: Sociobiologists don't like Freud because they think family members have no sexual interest in one another. Cognitive scientists don't like Freud because they think the "unconscious mind" is a rapidly firing network of widely distributed neurons, with no mind of its own. Behavioral geneticists don't like Freud because they really think that biology is destiny and that early childhood experience has very little to do with your life.

Postmodernists don't like Freud because they think that interpretation is merely free association, while Freud believed that by studying free association he might uncover the true meaning of a "text."

Feminists don't like Freud because they think he discounted reports of sexual abuse, disparaged the female body and collaborated with his buddies against his female clients. They think Freud was a patriarch.

Even academic psychologists and philosophers of science don't like Freud. The academic psychologists think that the study of the mind has nothing to do with sex, religion, literature, mythology or the history of civilizations, while Freud, bless his heart, made those topics the core of his curriculum.

And the philosophers of science come in two kinds: those who think Freud's tenets are untestable and hence unworthy of scientific consideration, and those who think his tenets are testable and have been shown to be false. So the rap on Freud is not very good.

The word is out in the medical world. It takes too long to "know thyself." Increments of personal insight are hard to measure or reimburse. Moreover, med-

ical interns get nervous when they have to speak to their patients.

They know all too little about the body and even less about a broken heart, or the history of civilization, which is why we need Prozac.

Freud once wrote: "However philosophy may bridge the gap between physical and mental, it still exists for practical purposes, and our practice on each side of it must differ accordingly."

Freud may have underestimated our practicality and overestimated our sense of purpose, but he was right to worry that the marriage of psychoanalysis to medicine would one day end in disaster.

He might even have been pleased to discover that in contemporary American

Freud would be feeling defensive and unloved.

culture, the major interest in psychoanalysis is found in schools of theology and on Broadway. Psychoanalysis has a popular appeal, not because it is a form of medicine or alternative therapy but because it is a secular religion that tries to address the deeper meanings of life.

This is a time for psychoanalysis to discover its true identity. It is time for a divorce from medicine. It is time for a remarriage with theologians.

Freud taught that to be happy one must maximize pleasure (the id), be moral (the superego) and survive (the ego). I am not worried about the survival of psychoanalysts. I think their fears of extinction are largely irrational. I just hope they have the guts to do the right thing.

The writer, a professor of human development at the University of Chicago, is currently a fellow at the Center for Advanced Study in the Behavioral Sciences. He contributed this comment to *The New York Times*.



LETTERS TO THE EDITOR

Nigerian Prisoner

The hangings in Nigeria of the human rights activist Ken Saro-Wiwa and eight associates have provided a sad reminder of the brutality of General Sani Abacha's regime. Terrible as these events were, however, they are not the only ones that stigmatize the military regime.

This past July 27, Dr. Beko Ransome-Kuti, a Nigerian physician and human rights activist, was arrested for denouncing the secret trials of 43 people accused of plotting a coup against the Nigerian regime. In a letter published in *This Day* magazine, Dr. Ransome-Kuti declared that the coup plot had been fabricated by the Nigerian regime and asked for the release of the alleged coup organizers.

Dr. Ransome-Kuti was secretly tried by the Special Military Tribunal and sentenced to life imprisonment. That sentence could not be appealed in an ordinary court because a 1987 military decree established that ordinary courts cannot challenge or review any verdict made by the military tribunal.

Although Nigeria's information minister announced in October that Dr. Ransome-Kuti's sentence had been reduced to 15 years in prison, the regime's record leads one to believe that Dr. Ransome-Kuti is being tortured or ill treated. Many other political prisoners are held in similar harsh circumstances.

Dr. Ransome-Kuti has had a distinguished career as a human rights advocate in Nigeria, and on several occasions he was imprisoned for his activities concerning human rights issues. He was a secretary of the Nigerian Medical Association and he is presently a member of the Commonwealth Medical Association Human Rights Initiative.

CESAR CHELALA,
New York.

EU Expansion

Regarding "Timetable for Expanding EU Is Halted" (12/18):

I believe the article somewhat misinterprets the aims of various countries vis-à-vis the enlargement of the European

Union when it states that Helmut Kohl rebuffed the efforts of some countries to ensure that the Baltic states would start negotiations at the same time as the countries of Central and Eastern Europe.

In fact, the outcome of the Madrid summit meeting is exactly what we in Estonia wanted to see: a commitment by the EU to commence negotiations with all those countries that are deemed ready as early as January 1998.

We have always stated that we believe in accession by merit — and this is exactly what we see implied in the requirement that advice be submitted on the readiness of each individual applicant country.

A European Union enlargement, whether it commences southward from Finland or eastward from Germany, or in both directions at the same time, can be successful only if it proceeds from a careful assessment of the financial implications of each new accession.

Were it not to do so, and were decisions based on the narrow political interests of one or several member states, the EU would stand to lose. Therefore, we welcome the results of the Madrid meeting as a significant step in the right direction.

CLYDE KULL,
Brussels.

The writer is ambassador and head of mission of the Republic of Estonia to the European Union.

Taiwan Identity

Regarding "Listen to Democratic Taiwan. Noisy and Disruptive" (Opinion, Nov. 29):

I am a 22-year-old classical pianist, currently living in Geneva pursuing my musical career. Born in Taiwan, I have since birth carried the dark green passport that still holds the title "The Republic of China" on its cover. Having lived in and traveled through several countries for my musical development, I have encountered numerous problems as a result of this passport.

On the diplomatic level, I am often limited when trying to get visas to countries that have no relations with Taiwan. There

just seem to be pages and pages of restrictions for Taiwanese visitors. Whenever I mention my nationality, I often receive cold or indifferent responses.

On the social level, I encounter even bigger problems. I struggle to fight for an identity that only vaguely exists in people's minds.

When I am asked about my origin, I say, "Taiwan." "Thailand?" "No, Taiwan." "Where is that? Oh yes, you are Chinese." "No, Taiwanese! It is different now," I reply.

I am not screaming for the independence of Taiwan, only its recognition.

JENNY LIN,
Geneva.

No-Strings Force

Western Europe's tiptoeing around the Bosnian mess plus America's recent, hesitant immersion illustrates the world's need but understandable reluctance to resolve conflicts. This does not imply that conflicts should be allowed to take their bloody course. A means is needed to defuse them.

The United Nations was meant to solve such initially small conflicts before they expanded into worldwide conflagrations. But today, Western powers will not expend their blood without an obvious and compelling national reason. Well-paid UN troops would for monetary, altruistic and/or merely bloodthirsty reasons try to resolve the world's small (initially, that is) conflicts.

If the major powers — i.e., the United States — were willing to devote a tenth of the money they now spend on their militaries, they could resolve many of the world's conflicts, as well as save lives of their own. How many lives could have been saved if the world had taken an early, united stand against Hitler?

To be truly effective, such soldiers would have to be fully UN soldiers, with no strings attached. With such a force, we could create the world that the UN's founders pictured. Instead, we keep flirting with the type of scenarios that ignited World Wars I and II.

GERALD C. HARDY,
Manchester, Connecticut.

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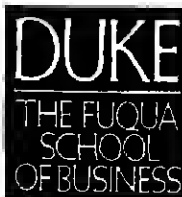


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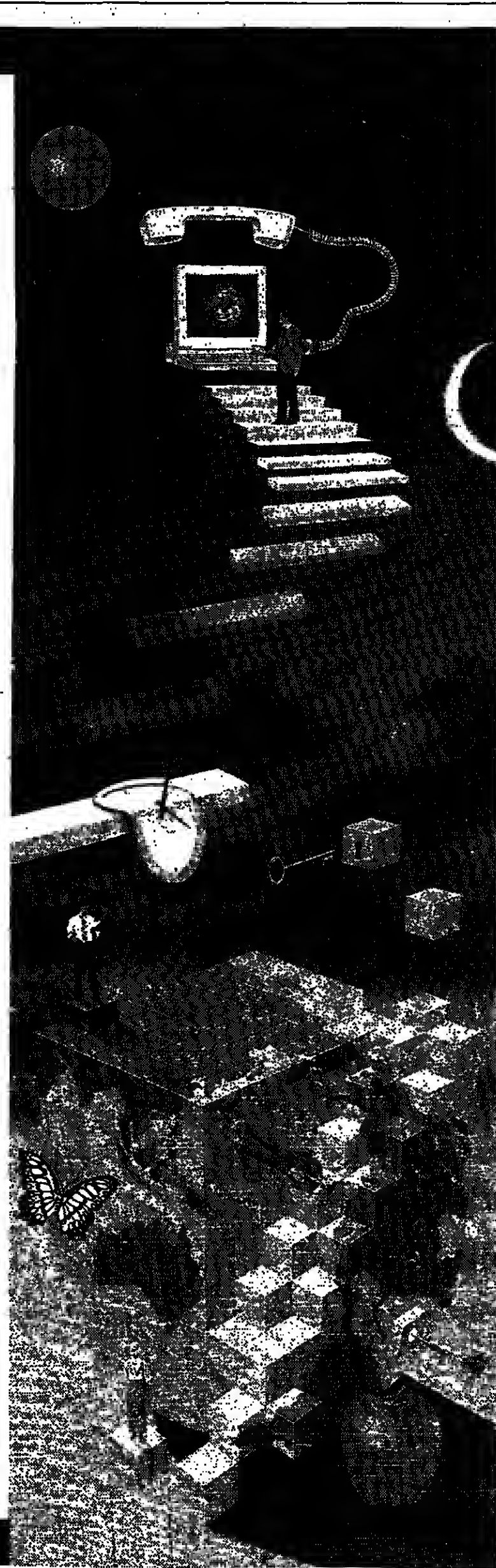
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INTERNATIONAL

Tuzla's Viceroy: A General Who Started as an Army Private

By Rick Atkinson
Washington Post Service

TUZLA, Bosnia-Herzegovina — There were no brass bands, no welcoming committees, no television lights. The midnight arrival of Major General William L. Nash as the new military viceroy of eastern Bosnia was low key almost to the point of invisibility: The U.S. Army commander strapped on his helmet, strode down the rear ramp of a C-130 airplane and went to work.

Abrupt and unceremonious, the arrival Monday was vintage Nash. A 32-year veteran, the two-star general evinces a gruff, cigar-puffing informality that belies both an impish sense of humor and a shrewd intelligence. After two years of studying math and chemistry at Tulane University, he enlisted in the army as a private in 1963, later secured an appointment to West Point.

and graduated 30th in a class of more than 700.

Like many soldiers, the 52-year-old general wears one dog tag around his neck and another laced into his boot — a grim but useful practice that eases identification in the event of dismemberment. General Nash's boot tag has the green patina of age, the telltale sign of a veteran whose tours of duty included stints as an armored cavalry commander in Vietnam and a tank brigade commander in the Gulf War.

Last summer, after supervising the army's program for modernizing the Saudi Arabian National Guard, General Nash took command of the 1st Armored Division in Germany. On Wednesday, he also became commander of Sector Tuzla for NATO's implementation force, overseeing not only 20,000 U.S. troops but also 6,000 Turkish, Russian, Scandinavian and Baltic soldiers in the eastern third of Bosnia.

"His colonels have nothing but respect for what he knows, and they feed off his energy," said a senior officer who worked with General Nash in Germany. "He's not the physically robust sort of guy who will be down there playing flag football with the troops, but he knows everything that's going on in that division."

Born in Tucson, the son of a career army officer, General Nash spent his childhood shuttling from post to post, including stints in Japan and Indonesia. He turned down an appointment to West Point in 1961 in favor of a civilian education, only to find military calling too strong to resist — a choice encouraged by his mother, who got him another application for the military academy.

His decorations in Vietnam included a Purple Heart and the Silver Star for gallantry. General Nash's later assignments included learning how to fly helicopters

and serving as an aide to General John Vessey, then chairman of the Joint Chiefs.

Taking over what may be the most politically sensitive field command since the Gulf War, General Nash has his work cut out for him.

He must mark and enforce a "zone of separation" between the warring parties despite bad weather. He must monitor a cease-fire, ensure the withdrawal of heavy weapons by all sides and establish "joint military commissions" throughout the sector to arbitrate disputes.

Moreover, he finds himself shoulder to shoulder with his former adversaries from the Soviet Union in the explosive Posavina corridor, a narrow neck of land connecting the two large Serbian-held sections of Bosnia. Because of Moscow's sensitivities about being under NATO control, General Nash's staff searched for a politically neutral word to describe the relationship. For now the commander is officially a "co-ordinator" when it comes to the Russians.

"He's a pretty demanding guy, but that's not meant negatively," a staff officer observed. "He's a cavalry officer at heart, used to working autonomously and with limited guidance from above, used to sizing up a situation without much information and making a decision quickly."

As for the burden of keeping peace, General Nash places it squarely on the Serbs, Croats and Muslims.

"They are the ones who have chosen this path. They don't need me to separate them; they could separate themselves," he said.

"It's not like you have boxing rings everywhere with a referee who has to go in and separate each and every boxer," he said, adding: "If they don't want peace, there will not be peace."

Papandreou Suffers From New Infection And Is 'Grave'

Reuters

ATHENS — Doctors were battling Wednesday to keep Prime Minister Andreas Papandreou alive after his weakened immune system was hit by a new lung infection and his condition was described as critical.

"The health of the prime minister has worsened in the past 12 hours," a hospital statement said. "His breathing is constantly supported by a respirator and his kidneys by dialysis."

Doctors at the Onassis Heart Center said Mr. Papandreou's lungs were again collecting fluid, making it very difficult for him to breathe.

"The patient's condition is grave," a doctor said. "He is not responding to antibiotics, and his vital organs are failing. We don't know if we can reverse this situation."

Mr. Papandreou, 76, was hospitalized with pneumonia on Nov. 20.

He suffered his latest setback Monday night, when he was again put on the respirator. He has suffered a series of secondary infections since last week, which doctors have been treating with a wide range of antibiotics.

He became Greece's first Socialist prime minister in 1981 and served until 1989, breaking the right's post-war grip on power. He was elected again in October 1993, but his term has been overshadowed by questions about his health.

He has not been replaced, and no successor has been named. Few Socialists have dared to raise the succession issue while the venerated founder of the Panhellenic Socialist Movement fights for his life.

Doctors have said it is doubtful that Mr. Papandreou would be able to resume his duties even if he recovered, and many Socialists have asked Health Minister Dimitris Kremastinos, who is Mr. Papandreou's personal physician, to brief them on his condition.

Israel Blocks Entry Of 7 Jews From U.S.

Security Reasons Are Cited

Reuters

JERUSALEM — Israel on Wednesday barred seven American Jews from entering the country. The seven, one of whom is a New York rabbi, were considered a security risk by officials still dealing with the assassination last month of Prime Minister Yitzhak Rabin.

The Interior Ministry said Rabbi Abraham Hecht, 73, of New York, had been barred for having given a religious justification for the eventual killing of Mr. Rabin months before the murder — even though he apologized in a letter to Mr. Rabin days before the assassination.

The ministry said the six others had been linked to illegal activities in Israel, backed extremist groups outlawed in the country or been active in the Jewish Defense League founded by Rabbi Meir Kahane, an anti-Arab militant who was killed in New York in 1990.

"All of these people have a criminal past, could endanger the public order or endanger national security," said Interior Minister Haim Ramon. As a result, they would be barred from entering Israel or from receiving immigrant status, he said.

Under Israeli law, foreigners who can trace Jewish roots to at least one grandparent can become new immigrants and claim Israeli citizenship.

"The files of these people were considered over a long period by security officials and the state prosecutor, who unanimously recommended I exercise my authority," Mr. Ramon said on Israel Radio.

Israeli officials pledged to crack down on Jewish "extremists" after the murder of Mr. Rabin on Nov. 4 by Yigal Amir, a Jew who opposed Israel's handing over of West Bank land to Palestinians.

Rabbi Hecht, in remarks that were widely quoted in the American Jewish press, cited portions of religious law that he said allowed a person to be killed for handing over Jewish people or property to an alien people — an apparent reference to Mr. Rabin's deal to give the Palestinians self-rule in the West Bank.

The Interior Ministry said Rabbi Hecht had repeated his comments in a media interview and had banned him even though in a letter to Mr. Rabin before the murder the rabbi wrote: "I wish to repudiate any words and actions of anger that have caused hurt."

Mr. Amir's trial was delayed Tuesday until Jan. 23.

Syria Talks Are Sped Up

Israel and Syria have accelerated their timetable for peace negotiations, moving up the start of a planned second round to Jan. 3 from Jan. 7, The Associated Press quoted Israel Radio as reporting. The first round is to begin Dec. 27 in Washington.

Walesa Rebuffed on Accusations About Leader's Contact With Spy

Reuters

WARSAW — Poland's leftist cabinet Wednesday dismissed accusations by President Lech Walesa that Prime Minister Jozef Oleksy, a former Communist, had had dangerous contacts with a Moscow spy, said people familiar with the matter.

Mr. Walesa, who has to give up his office to another former Communist, Alexander Kwasniewski, in three days, called a sudden meeting of Parliament leaders and top judges late Tuesday to say he had been given secret material revealing a threat to state security.

He and his office gave no details, but a person close to the government said, "The allegation concerning Oleksy is built around his past social contacts with a person who lived in Warsaw and later turned out to be a Russian intelligence agent."

In a speech Wednesday night, Mr. Oleksy accused Mr. Walesa of trying to force him to resign.

"I will not give in to blackmail," he declared, saying Mr. Walesa and his supporters were trying to destabilize the country before the inauguration of Mr. Kwasniewski.

"What has been done demonstrates that state security may be threatened, but by those who cannot leave their posts in a dignified fashion," Mr. Oleksy said.

And after the two-hour emergency cabinet meeting Tuesday, the government sent a statement: "The cabinet does not share the view about there being a threat to the state."

World Bank Denies Charge

The Associated Press

WASHINGTON — The World Bank denied Wednesday charges by the human rights activist Harry Wu that political prisoners were being forced to work on a major bank-funded agricultural project in remote western China.

"Information received from the interior minister and defense minister do not give grounds to accept such a standpoint and the adoption of any particular measures," it said.

The pro-Walesa foreign, defense and interior ministers dissented from the cabinet's judgment, and Mr. Walesa left the meeting in silence.

The main opposition party, the Union for Freedom, called on Mr. Oleksy to step down from his office until the issue was cleared up.

Mr. Walesa, who led the Solidarity trade union to victory over Communist rule in 1989, lost last month's elections to Mr. Oleksy's close ally, Mr. Kwasniewski, the head of the Democratic Left Alliance that is part of the ruling coalition.

The speaker of the lower house of Parliament, Jozef Zych, said Mr. Kwasniewski's swearing-in ceremony, which Mr. Walesa has said he will not attend, would go ahead as planned on Saturday.

RUSSIA: Yeltsin Is Firm

Continued from Page 1

and the reformist party Yabloko with 7.27 percent. So far, one of the other parties has crossed the minimum 5 percent barrier to enter the Parliament.

The commission said counting was almost complete in the 225 individual districts. Among them, 77 winners were independents; 57 were nominated by the Communist Party; 20 by the Agrarian Party; 14 by Yabloko; 10 by Mr. Chernomyrdin's party; 9 from Russia's Choice, headed by a former deputy prime minister, Yegor G. Gaidar; 8 by the Power to the People bloc of former prime minister of the Soviet Union Nikolai Ryzhkov; 5 from the Congress of Russian Communities, the party of former General Alexander Lebed, and the others from smaller parties.

The winners include 93 incumbents and seven members of the upper chamber, the Federation Council, Interfax said.

Two party leaders who did poorly, General Lebed and the former Russian vice president, Alexander V. Rutskoi, told Reuters that they suspect widespread rigging of the results. However, international monitors said they did not see any systematic falsification.

At the same time, some Western observers have questioned why the count is taking so long. Russian officials are using a computerized system which is not entirely finished but which is being readied for use in next June's presidential contest.

Yeltsin Assures Kohl
Mr. Yeltsin assured Chancellor Helmut Kohl of Germany by telephone that the new Duma would conserve the "mood for reform" and that he would establish "constructive cooperation" with it. Reuters reported from Moscow.

But Mr. Gaidar, the reformist who expects to have no seat in the new Duma, said the Communists risked creating "a real mess" in the run-up to June's presidential election.

To avoid splitting the liberal vote for the presidency, Mr. Gaidar said his Russia's Choice party would probably bow out.

BOSNIA: NATO's Turn as UN Flags Come Down

Continued from Page 1

an often barbarous Serbian assault on a Bosnia whose sovereignty was recognized by the very institution they served.

The strain of this question placed on UN commanders in Bosnia was evident. General Francis Briquemont of Belgium declared before his premature departure that he did not even bother to read UN resolutions anymore.

Lieutenant General Philippe Morillon of France abandoned his cloak of neutrality to go to the rescue of Srebrenica in early 1993, a gesture that saved the lives of thousands of Muslims for two more years and led to the establishment of the so-called United Nations' safe areas.

Another UN commander,

Lieutenant General Michael Rose of Britain, fell back on the mantra that the United Nations could not "cross the Mogadishu line" — that is, get involved in a conflict in the same way as UN forces had in Somalia.

There were achievements to bolster such attachment to the status quo. Food was delivered to about 2.7 million people, albeit with great difficulty. The war did not spread. The truce that ended the 1993 war between Muslims and Croats was successfully policed.

But an overwhelming image of UN weakness remained: the continued Serbian encirclement of Sarajevo.

It was essentially in an attempt to break this siege and to show UN resolve that Lieutenant General Rupert Smith called in NATO air strikes near the Bosnian Serb stronghold of

Palestine last May. The attack was a disaster. Several hundred UN peacekeepers were seized by the Serbs as hostages, and the air strikes had to be called off after two days.

But, from this demonstration of failure, some semblance of coherence began to be pieced together. Peacekeepers who were vulnerable to Serbian hostage-taking were withdrawn, making NATO air power a credible threat to air. Ground troops with artillery were deployed near Sarajevo.

In the end, torn between neutral peacekeeping and the repeated Serbian flouting of UN authority, the United Nations went to war. That war involved bombardment of the Serbs from NATO planes and UN artillery. With the support of newly aggressive U.S. diplomacy, the war was ended.

KOREA: A Menacing Winter on the Peninsula

Continued from Page 1

charges, North Korea might gamble that Seoul is unstable and ripe for attack.

Kwon Young Hae, chief of the Agency for National Security Planning, told the National Assembly last week: "Sometime between this winter and next spring will be the most dangerous period in crisis management on the Korean Peninsula."

Mr. Kwon said that North Korea had recently moved 420 warplanes and helicopters toward the Demilitarized Zone, cutting their flight time to Seoul to as little as six minutes. He said North Korea, at the expense of its civilians' rations, had stored enough rice, oil, medical supplies and other goods in 200 underground bunkers to keep the military running for three months.

Others say those contentions are true, but they do not signal any alarming change in North Korean behavior.

"There is nothing happening in the military sense that creates a major problem," a Western diplomat here said.

He and a veteran military analyst in Seoul said Pyongyang was simply continuing a pro-

cess that it has been building on for years. Since the end of the Korean War, it has slowly moved troops and equipment closer and closer to the border.

The aim, they said, is to reduce the warning time South Korea and the 37,000 U.S. troops stationed here would have if the North decided to invade. Pyongyang does it incrementally, with no single movement large enough to provoke a response from Seoul or Washington.

Despite the warnings from South Korea, the Western analysts said the North has done nothing unusually aggressive in the two months since the political turmoil began in Seoul.

They said North Korea conducts annual winter military exercises, and that the movement of planes and troops was predictable.

Press reports in South Korea have suggested that the U.S. aircraft carrier Independence would be sent from its base in Japan to the seas near the Korean peninsula, to remind the North of the might of its adversaries.

U.S. officials said that was not accurate. They said that the Independence had been scheduled for months to take part in exercises, but that the move-

ment had nothing to do with the current situation.

Still, observers agreed that North Korea must be watched closely this winter.

Mr. Kil, the columnist, said it was possible that North Korea was using the military activity to draw more foreign aid from an international community that has largely ignored its pleas for help in recent months.

"They probably realize that the only card they can play is the military threat to draw international attention," he said.

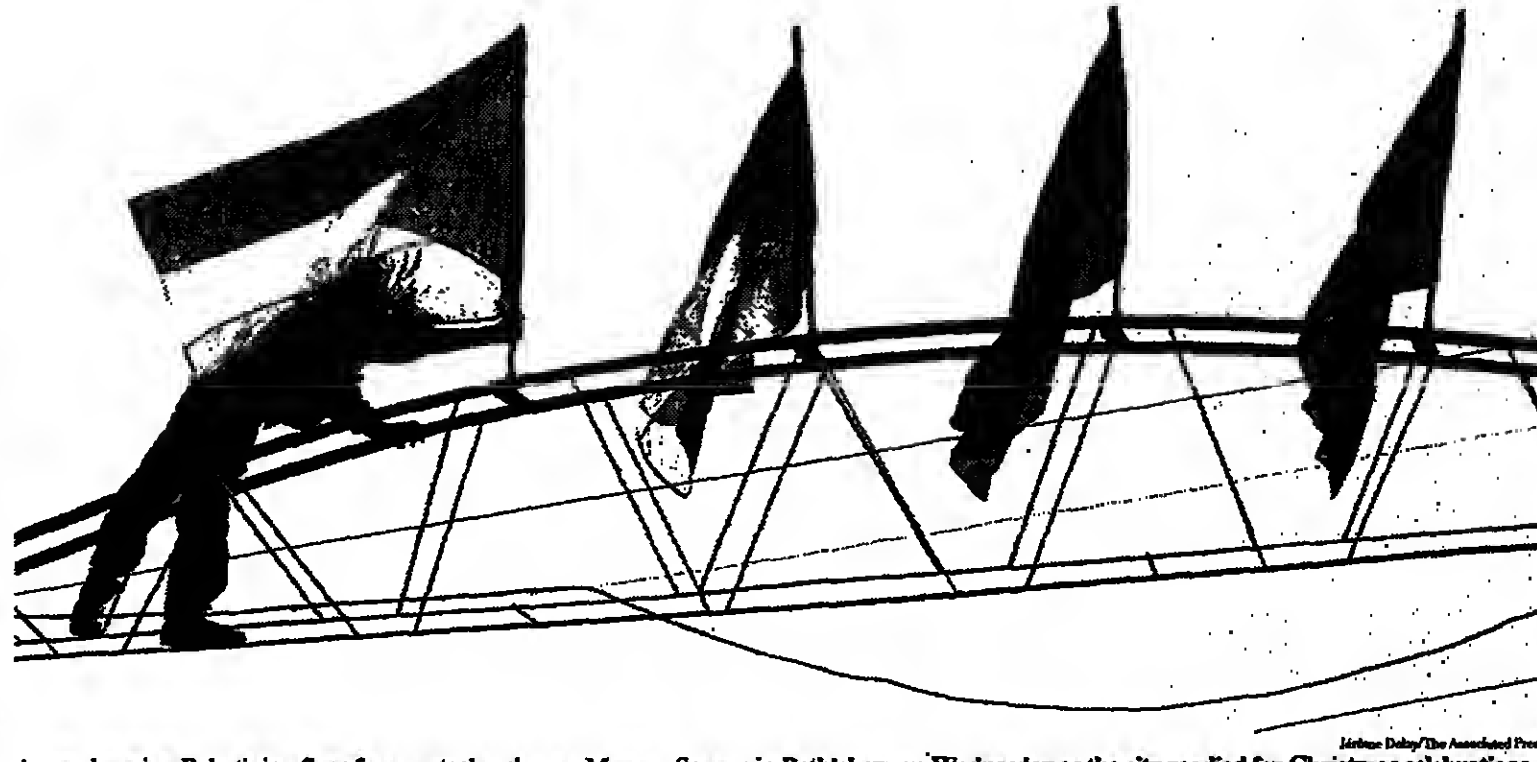
"They may be saying, 'If you don't care about us, who knows what we will do.'"

At least one report out of Pyongyang paints a much less bleak picture of the food supply than a report released this week by the United Nations. While the serious damage inflicted by last summer's floods is indisputable, one person who recently toured the worst-hit areas said the country is recovering quickly.

"I did not see any hunger or malnutrition when I was there," said Bernard Krisher, an American who lives in Tokyo and who spent two weeks in North Korea in late November delivering \$25,000 worth of relief supplies he raised through an appeal on the Internet.

A spokeswoman for Mr. Levin called this a legal "three-for-one" because Mr. Levin paid for the jam and it was cheap, made in Michigan and a foodstuff.

Senator Daniel Patrick Moynihan, Democrat of New York, sent Mr. Levin a satchel of New York honey, and the Senate majority whip, Trent Lott, Republican of Mississippi, dropped off some jalapeno cheese spread.



A man hanging Palestinian flags from a steel arch over Manger Square in Bethlehem on Wednesday as the city readied for Christmas celebrations.

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HEALTH/SCIENCE

Pushing Limits of Science

By Lawrence K. Altman
New York Times Service

SAN FRANCISCO — Why do researchers and willing patients test the boundaries of medical science when they are told by friendly and sometimes hostile critics that the risks are so daunting that the experiments are doomed to failure?

Part of the answer may be that as the 15th anniversary of the discovery of AIDS nears, many doctors are as frustrated as patients by the lack of more effective treatments for the disease, and are therefore joining their patients in pushing the limits of treatment.

The best example of such a collaboration is the recent experimental transplant of baboon bone marrow into Jeff Getty, a 38-year-old AIDS activist who will probably die of AIDS, but whose life may be prolonged if the experiment succeeds. Mr. Getty worked as a partner with a team of researchers at the University of California at San Francisco and the University of Pittsburgh who designed and conducted the experiment.

It is hard to imagine anyone who was better informed of the risks of an experiment than Mr. Getty. He has no formal training in science, but he has learned

more immunology than many doctors in his efforts to overcome 15 years of infection with HIV, the AIDS virus.

Mr. Getty has exhausted all standard and other experimental alternatives for AIDS. And he has battled with scientists and government bureaucracies to speed development and testing of novel AIDS therapies. For more than two years, he campaigned for the experimental baboon bone marrow transplant that, after many delays, he received here last week.

It is an experiment that Dr. Hugh Auchincloss of the Massachusetts General Hospital in Boston, reflecting the views of other experts, has said "will probably hasten his death, not prevent it."

But the decision was Mr. Getty's. Dr. Auchincloss said. Mr. Getty, who is in isolation in a room at San Francisco General Hospital, knows the prevailing medical opinion. But he also knows that medical history is full of examples of surprises made by doctors and patients who defied the word of leading experts.

For years, he studied immunology textbooks and journals. He attended scientific meetings. And his group of AIDS activists organized weekly tutorials where he listened to invited scientists.

"We just boned up and learned the stuff," Mr. Getty said in an interview.

Dr. Suzanne T. Ildstad, a transplant surgeon and immunologist at the University of Pittsburgh who is a chief investigator of the baboon bone marrow experiment, said in an interview, "Sometimes he asks me better scientific questions than my colleagues."

AFTER Mr. Getty learned that Dr. Ildstad was planning to use a novel technique that she had developed in Pittsburgh to do a baboon bone marrow transplant, he was the first to volunteer. Then he participated in discussions of the proposal at many scientific meetings without letting on that he was a candidate.

"Just the whole concept of fighting keeps Jeff going," said Dr. Steven Deeks, another principal investigator. "When he is fighting, it energizes him probably better than any medication."

Today's standard practice was yesterday's experimental therapy, and the advances are often made possible by courageous patients, who open the door a crack to better the lives of those who follow. Such patients are the silent heroes of medicine.

Iceman's Body Yields Secrets of His Life

By Brenda Fowler
New York Times Service

NEW YORK — It was four years ago that a vacationing German couple happened across a well-preserved body lying face-down in a slushy pocket of a glacier in the Italian Alps. Since this chance discovery of what turned out to be a 5,300-year-old corpse, the world's oldest known human flesh remains, scientists and archaeologists have teased out remarkable information on the man and his environment.

A bit of amber he carried to restart his campfire was from a tree likely to have grown south of the spot where he died. That evidence suggested he was on his way from the fertile Venosta Valley in northern Italy and had probably made his home there. A grain of domesticated wheat clinging to his fur clothing indicated that he had had contact with civilization, which in those days would have been a small farming village.

In the last year, studies of the Iceman, as the body is known, have moved beyond his accoutrements to his flesh. His guardians at the University of Innsbruck in Austria, where he is being preserved at glacial temperature and humidity, have at last opened up the corpse itself to research. Using specially designed titanium instruments that leave no trace elements, doctors have shipped off tiny samples from the man's shrunk organs and tissues and delivered them to scientists in Europe and the United States for studies that are slowly building answers to the questions about the man's life and death.

In September, Dr. Werner Platzer, the Innsbruck anatomist who oversees research on the body, announced that preliminary findings showed the man's stomach was empty when he died. But his large intestine contained considerable amounts of material.

"That means he had probably not eaten for eight hours," Dr. Platzer said in a telephone interview. The finding, which had been predicted by radiologists' interpretations of CAT scans, hinted that the man may have been hungry and weak when he died. A

hypothesis that has strong support among scientists is that he died of hypothermia after being surprised by one of the sudden snowstorms that come up on the Hohe Tauern, the 10,500-foot (3,200-meter) pass over the main ridge where he was found.

Other findings suggest that the man had not been in perfect health. Dr. Andrew Jones, an environmental archaeologist at the Archaeological Resource Centre in York, England, identified the eggs of a parasitic whipworm in a small sample from the man's colon. The preliminary results do not reveal how severe the infestation was, and Dr. Jones could not say whether the parasites caused the man any discomfort.

Another potential vulnerability appeared in the man's lungs, where Dr. Raul J. Cano, a microbiologist at the California Polytechnic State University in San Luis Obispo, recently found a fungus called *Aspergillus*, most likely the species *fumigatus*.

"I know that *Aspergillus* has been associated with lung disease, but we have no reason to believe he died of anything other than natural causes," said Dr. Cano, who isolated the DNA of the fungus. And last year doctors found that the lungs were as black as a smoker's, probably a result of living in a shelter with an open hearth.

DISCUSSION of what caused the man's death has been complicated from the start by X-rays that show five broken ribs on his right side. Radiologists are unable to determine whether these fractures occurred before the man's death, under the weight of the glacier or during the rough recovery.

"There are so many rib fractures, they're angled, the chest is severely decreased in diameter, and the posterior ribs are dislocated from the spine," said Dr. William A. Murphy Jr., the head of diagnostic imaging at the University of Texas M.D. Anderson Cancer Center in Houston. "It's my opinion that it would take significant force to do that, and I can imagine



X-rays show five fractured ribs (left arrow), healed fracture (right).

that force from the weight of ice."

But neither he nor Dr. Dieter zur Nedden, his Austrian colleague, believes the question will soon be laid to rest. That keeps alive the theory of Dr. Konrad Spindler, the University of Innsbruck prehistorian who proposed that the man had been involved in a fight in his village then fled into the mountains, where he succumbed to his injuries.

There are, indeed, signs that the man's life had not been easy. Dr. Horst Seidler, an anthropologist at the University of Vienna, said the man may have lived through episodes of extreme hunger, illness or metal poisoning that arrested his growth. Examining X-rays of the man's shinbone, Dr. Seidler and

his colleagues found 17 Harris lines, thin layers of bony material that form in the hollow of a bone when growth stops. They calculated that severe disturbances occurred in the man's 9th, 15th and 16th years. "Possibly this had to do with periods of hunger in the transition between seasons," Dr. Seidler said.

One of Dr. Seidler's next projects is to compare tissue samples from the Iceman with those of the 500-year-old Peruvian girl whose discovery on an Andean mountain was announced in October. "These two finds were conserved in the same condition," said Dr. Seidler, who was recently in Peru. "This is the first time we've had material with which to compare him."

IN BRIEF

High Blood Pressure And Memory Loss

CHICAGO (Reuters) — High blood pressure left untreated in middle age appears to cause memory loss later, a link that should serve as a health care warning as the population ages, international researchers report.

A team led by researchers from Erasmus University Medical School in the Netherlands found that for every increase of 10 points of systolic blood pressure, there was at least a 7 percent greater risk of diminished cognitive skills. A systolic blood pressure of 140 or less is considered normal in middle-aged adults.

"As the elderly population in the United States is expected to double by the year 2030, the number of persons with reduced cognitive function will increase," the study author, Dr. Lenore Launer, wrote in the *Journal of the American Medical Association*.

Dr. Launer was joined by researchers from Kuakini Medical Center in Hawaii and the National Institutes of Health in testing the mental skills of 3,735 Japanese-American men who had participated in the Honolulu Heart Program begun in the 1960s. The average age was 78.

Dinosaurs and Birds: Another Link Found

LONDON (Reuters) — A fossilized dinosaur found incubating its eggs has offered the most graphic evidence yet of how they may have been the precursor of the modern bird.

The specimen, a superbly preserved *Oviraptor*, was found under sand in Mongolia, crouched on a nest of at least 15 eggs. Its hind limbs are folded on each side of the nest like the brooding posture of the modern bird. Mark Morell of the American Museum of Natural History reported in *Nature Magazine*.

"This finding provides the strongest evidence yet that mod-

ern avian brooding behavior evolved long before the origin of modern birds," Dr. Morell and his colleagues concluded.

Dead Sea Scrolls: The Hunt Continues

QUMRAN, Israeli-Occupied West Bank (AP) — The hunt for

more Dead Sea Scrolls has begun as teams of volunteers shoveled earth out of four newly discovered manmade caves.

The first scrolls were found not far from the caves in 1947 by a shepherd and helped shed light on the origins of Christianity. An archaeologist from Bar Ilan University found the four caves this summer.

Dispelling Some Myths About Sugar Perils

By Lawrence G. Proulx
Washington Post Service

WASHINGTON — Ribbon candy, Mince pies, Dark fudge, Rum balls and fruit-cake. "Sugar is sweet and so are you." That's a common message in the holiday season.

But as you reach for the gingerbread one more time, you may remember the warnings from seasons past when nutritional naysayers condemned sugar as the dietary ticket to such myriad ills as obesity, diabetes and hyperactivity.

Now, it seems, you may not have to worry so much about those sugar plums that dance in your head. In recent years, sugar has undergone something of a reevaluation. While researchers still urge moderation, most say that as long as you're eating a balanced diet and maintaining a wholesome body weight, sugar is not a major health concern.

Dennis M. Bier, a professor of pediatrics at Baylor College of Medicine who examined sugar issues as a member of the official Dietary Guidelines Advisory Committee, summarized the committee's conclusions this way: "In an otherwise nutritionally healthy diet . . . there is no evidence that sugar intake within a fairly broad range, that is, the range that most Americans are likely to consume, has any profound consequences."

Official figures are difficult to sort out, but one Food and Drug Administration study estimated that Americans on average eat about two ounces of added sugar a day, or 42 pounds a year. Added sugar is primarily the refined sugar from sugar cane or corn that is put

into soft drinks, candy, cookies and thousands of other foods. As a separate sweetener, the fine crystals are what you keep in the sugar bowl to add to coffee, put on cereal or make cinnamon toast.

But sugar is also the basic fuel for both plant and animal life, and in the form of glucose it is carried by the blood to all the cells of our bodies. When the sugar that is naturally present in such basic foods as milk, fruit and vegetables is included, our average intake comes to about 3 1/2 ounces a day, the FDA researchers estimated.

Sweets shouldn't be the main part of anyone's diet, but their bad reputation may be outdated. To help you get through this candy cane season, here's what the latest science says about sugar.

Myth: Sugar Causes Diabetes
It doesn't. And the American Diabetes Association says it's no longer taboo for diabetics to eat sugar. "We removed the restriction on sugar because there was no scientific evidence to back it up," said Christine Beebe, a vice president of the association. Blood sugar can be affected by any carbohydrates — not just refined sugar. They are all converted by the body to glucose, so "it's not sugar per se that elevates blood sugar. . . . By the time that glucose molecule enters the bloodstream, the body doesn't know if it came from a cookie or a slice of bread," Ms. Beebe said.

Myth: Sugar Is Fatening
Not necessarily. "We question this notion of a sweet tooth," said Adam Drewnowski, director of the Human Nutrition Program at the University of Michigan. "We replace it with the notion of a fat tooth."

It is true that people can gain weight

by eating too much sugar, after all it is attractive and it does have calories. But more troublesome is the fact that sugar is often coupled with high-fat foods, and Dr. Drewnowski and other researchers argue that excess fat is more likely to cause health and weight problems.

Myth: Sweets Give You a Sugar Buzz
"We've done studies evaluating this idea that sugar produces a high, the so-called sugar buzz," said Bonnie Spring, a psychology professor at the University of Health Sciences at the Chicago Medical School. "Contrary to the mythology," she said, the main effect of eating a lot of sugar (or other carbohydrate) is sleepiness.

At the same time, in those who have a deficient supply of serotonin, sugar can have the opposite effect. A low level of serotonin is linked to seasonal affective disorder (winter depression), nicotine withdrawal, premenstrual syndrome and carbohydrate food craving, Dr. Spring said. "With people who show signs of a serotonin deficiency, [sugar] actually gives them energy," she explained.

Myth: Sugar Causes Acne
"To our knowledge at this point in time we have no known scientific association between sugar and the occurrence of acne [or] chocolate and the occurrence of acne," said Robert E. Clark, director of dermatologic surgery at Duke University Medical Center.

Myth: Sugar Makes Children Hyperactive
"If I give them sugar they'll be bouncing off the walls" is something pediatricians often hear from parents. But there just isn't evidence that it's true, according to a survey of the med-

ical literature published last month in the *Journal of the American Medical Association*.

"Sugar does not affect the behavior or cognitive performance of children," the report concluded. Although it did allow that "a small effect of sugar or effects on subsets of children cannot be ruled out," the report's principal author said that several of the studies had been aimed specifically at children whose parents considered them sensitive to sugar.

"Even in studies that tried to stack the deck with children who were sensitive to sugar, we didn't find any effect," said Mark L. Wolraich, chief of the division of child development at Vanderbilt University.

Myth: Sugar Causes Tooth Decay
You'd think that even if the whole world gave its approval to sugar, the dentists could still be relied on to disagree. But nothing is certain these days. Even Ken Burrell, senior director for the Council on Scientific Affairs of the American Dental Association, was nonchalant on the subject.

It's not that sugar isn't involved in tooth decay — it certainly is — but Dr. Burrell said that what's important is how often and how long the teeth are exposed to sugar. "Compared to 20 years ago," he said, "we are less specific about the foods people should avoid, and [instead] we tell people to reduce snacking." That limits the teeth's exposure to decaying acids produced by bacteria in the mouth when particles of sugar are present. Remember, even starches, which may not taste sweet, are chains of glucose and are broken down in the mouth into sugar.

BRIDGE

By Alan Truscott

THOSE giving a holiday gift to a bridge enthusiast may order the 1996 Daily Bridge Calendar from Ashlar House (toll-free in the U.S. on 800-749-3292).

Some famous bridge writers contribute hands to the calendar. The diagrammed deal by Bobby Wolff is one.

After West has opened one heart, a take-out double by North leads to a natural contract of three no-trump.

The heart eight is led, and South must consider and resist temptation. If he makes the play of a low card from the dummy he will win a cheap trick with the ten but will be defeated. West will grab the lead with an ace as soon as he has the chance, and will cash the heart ace. Then the heart jack will drive out the queen, and eventually West will take his other ace and two heart winners to beat the game.

South should recognize that West's opening bid virtually guarantees that he has all three missing aces. So the right play is to win the first trick with the heart king and work on dia-

monds or spades. When West's ace, he can do nothing with his hearts because South retains two stoppers. West makes three aces only, so South ends with an overtrick.

In fact, three no-trump by South would probably fail if North were the dealer and opened the bidding. West would maintain a golden silence, and South would have no clue to the location of the aces.

NORTH		EAST	
♠ K J 5 2	♥ 9 7 3	♠ A 8 4	♥ 8 7 3
♦ K 4	♣ K Q 8 3	♦ A 8 7	♣ 7 5 4
♠ 10 7	♥ 8 6 5	♦ 8 6 4	♥ J 6 5 3 2

Both sides were vulnerable. The bid: West 1♥, North 2♦, East 3NT, South 3NT. Pass. West led the heart eight.

BOOKS

ON THE ROAD WITH JIM ROGERS

By Jim Rogers. Illustrated. 402 pages. \$25. Random House. Reviewed by Richard Bernstein

MEMORIALIZING a journey is like investment counseling in one sense: If you're going to do it, you have to do it well in order to make it worth the risk to your clients.

Jim Rogers, who made "millions" (as he puts it) as a Wall Street fund manager and retired at the "ripe old age of 37," must be a brilliant investor. In his literary endeavors, however, this account of a two-year globe-girdling motorcycle trip that he made with his girlfriend pays off occasionally but not nearly often enough to make the reader very rich.

The first hundred or so pages, which take Rogers and his friend, Tabitha Estabrook, east across Central Asia and China, then west through Siberia, are so full of astonished banality that the account nearly becomes a parody of itself. One problem is that Rogers' writing is unexceptional and pedestrian. Another is that he is overimpressed by the depth of his

"I realized as we came down out of the mountains and onto the plains," he writes, as though making a great discovery, "how often borders followed geographical features and changes such as rivers, mountains, lakes, deserts."

The other thing Tabitha and I noticed throughout the Central Asian republics were the number of Muslims. Rogers adds somewhat later, hastening to suggest that everyone would be surprised. "In America we tend to think Muslims are a people centered in the Middle East, not realizing that they run from Morocco to the Philippines."

"We tend not to understand," Rogers goes on in his didactic way, "that a large part of Western history over the past 1,300 or 1,400 years has been Muslims against Christians."

When he gets to China, Rogers continues to share his putatively deep knowledge of history and the world. His quick analysis of the Tiananmen Square student demonstrations in Beijing in 1989 reveals him as a man who does not know that he does not know. When he arrives in the Central Asian republics of the former Soviet Union, he provides more trail-

WHAT THEY'RE READING

• David Hockney, the artist, is reading "The Pale Blue Dot: A Vision of the Human Future in Space," by Carl Sagan. "Sagan has fascinated me for a long time, and I have made pictures about his work. I find his views on perspective, reality and the infinite possibility of man's existence very exciting." (Margaret Kemp, IHT)



blazing insight: "The real crime here was the perversion of human nature, the original Communist notion that the natural way of trade and commerce had existed throughout the world for thousands of years was somehow evil."

The idea of Rogers' world-wide jaunt is to combine a good time, with professional observations of local economies and a search for investment opportunities.

And so, as he and Estabrook roar through countries on their BMWs, Rogers expatiates on economic conditions, more often than not bemoaning the stupidity of governments that try to control prices or the flow of

goods and currencies. Rogers' lessons on the international economy are easy to digest and might well be interesting and even useful to those with little knowledge of these matters. They would seem elementary to any reader of the Wall Street Journal editorial page, which follows a similar free-market philosophy, though what Rogers often does well is link that philosophy to concrete illustrations.

"Gas here wasn't expensive, simply unavailable, the way it had been cheap and hard to get in Siberia and Russia," Rogers remarks after several failed attempts to fill up at Zairian gas stations. "But this made sense: fix a price too low, and no one

wants to supply it — not individuals, not corporations and not governments."

When Rogers and his friend take their bikes to Africa for the Tunis-to-Cape Town run, his skills as a diarist improve, in part because he simply tells, in a breezy, conversational style, what he saw and what happened rather than interpreting the meaning of it all. In Africa, too, the travelers have a few genuine adventures.

In Zaire, a once-rich country wrecked, as Rogers notes, by the regime of the strongman Mobutu Sese Seko, the motorcyclists, forced off their bikes by flooded roads, spend 13 days in a convoy of 11 barges being pushed by a single tugboat down the Congo River, which provides Rogers with a rare occasion to write interestingly about local life.

Also in Zaire, he comes into conflict with a young Frenchman he hired in North Africa to drive a truck accompanying them as they make their way on their motorcycles toward Cape Town.

The Frenchman, a randy bon vivant, is always asking for more money, and Rogers finally cuts off the flow. This leads the Frenchman to chase Rogers through the grounds of

a missionary compound with a bowie knife, which lands all three foreigners in the viselike grip of local officials who extort money from them.

When Rogers, trapped and unable to leave without paying up, tries to send a letter to the American Embassy asking for help, the postman coolly tells him: "You can't mail this. We don't send letters to that embassy."

Giving in to local custom after several days, Rogers dips into his capital.

As he and Estabrook make their way along their route through Europe, Asia, Africa and the Americas, an odd fact becomes increasingly clear: Their trip, at least from the reader's point of view, is more absorbing when they are not on their motorcycles.

Or perhaps that is not so odd. Motorcycles are fun. They are exhilarating.

But they are, almost by definition, isolating instruments that get you close to but not into the lives of the people who live in the places you are visiting. From the literary point of view, trains, buses and barges are better.

Richard Bernstein is on the staff of The New York Times.

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Herald Tribune
THE WORLD'S DAILY NEWSPAPER

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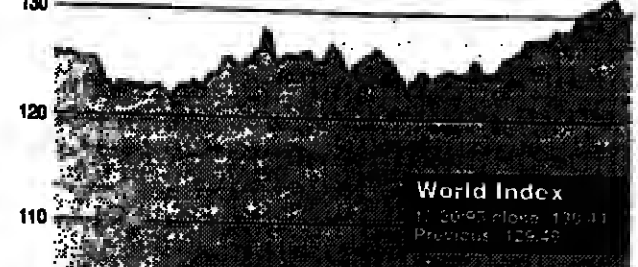
Herald Tribune
THE WORLD'S DAILY NEWSPAPER

THURSDAY, DECEMBER 21, 1995

PAGE 13



THE TRIB INDEX: 130.44
International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.

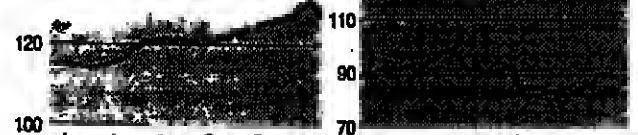


Asia/Pacific
Approx. weighting: 32%
Close: 134.43 Prev: 132.07

Europe
Approx. weighting: 37%
Close: 138.23 Prev: 134.40

North America
Approx. weighting: 29%
Close: 127.02 Prev: 125.01

Latin America
Approx. weighting: 5%
Close: 88.87 Prev: 86.12



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and other major financial centers. The index is composed of the 20 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.

Industrial Sectors

Sector	Index	Change
Energy	133.76	+0.58
Utilities	127.19	+2.53
Finance	127.22	+1.63
Services	119.11	+0.38

For more information about the index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92221 Neuilly Cedex, France.

Investment Coup Rattles Prague

Young Raiders Quietly Cash In on Loose Regulation

By Peter S. Green
Special to the Herald Tribune

PRAGUE — They call themselves "the Boys," but what they have done is hardly kid stuff.

In a few weeks of wheeling and dealing after a year of quietly buying shares, these half a dozen Czechs in their 20s and early 30s have assembled a financial empire valued at around \$3 billion. In doing so, they have brought some of the country's leading financiers to their knees and made themselves into the Czech Republic's first home-grown corporate raiders.

What they did was raid at least six of the country's largest investment funds and take control of two of its largest private banks in the largest takeover bid the Czech Republic has seen.

Their self-described guerrilla tactics have shaken up the sleepy Czech market and shown how its lack of transparency and loose regulation are letting a few bold players amass huge stakes. But, brokers say, their tactics are also scaring small Czech investors and large foreign buyers away from the Czech capital markets.

Their moves have "underlined the deficiencies" in the current system and the importance of disclosure to "the people who so far ignored it — the government," said Professor Josef Koucky, an economist

at Charles University in Prague. The Boys are mostly mathematics and engineering graduates of top Czech universities who have learned their trade in the few hectic years of the Czech capitalist revival.

They say they have helped launch a "third wave" in Czech privatization, collecting dispersed small shareholdings into blocks large enough to exercise management control in the target companies and proceed with the difficult business of restructuring them. Their aim, they say, is to build a Czech-owned financial and industrial empire. "Foreigners are getting their stakes in our strategic industries now. The cash is very important for the liquidity of our whole group," said Radek Peleska, 27.

Jan Dienstl, 25, said his associates only did what everyone else in the Czech market should have done: "We just bought shares which were undervalued. We don't know why no one else did it."

But others say the Boys have done little but strip investment funds of their best assets.

"I don't believe that they are trying to build an industrial group," Mr. Koucky said. "To me it seems like a series of speculative moves on the market. They were just looking for whoever has a lot of money and would pay a lot of money to save their funds."

After the Boys attacked the Agrobanka investment fund, for instance, its net asset value dropped 24 percent.

Mr. Dienstl conceded that the Boys used "guerrilla" tactics but said stealth was vital to their success. "OK, we should have been above board about it, but there are no standard rules here," he said.

He insisted they did nothing illegal and, contrary to local press reports, are not laundering money. Whatever the origin of their money and their ultimate intentions, the Boys have gotten very rich, very quickly, have had a major impact on the Czech market and could not have done it in a more regulated market.

Conceived over a year ago, their plan was dubbed "Project Funds," and it went to the heart of the Czech economic success: the mass privatization give-away that handed shares in formerly state-owned enterprises to 6.5 million of the country's 8 million adults.

Many Czechs hold their shares through sleepy investment funds whose cautious approach meant the funds held were often worth far more than shares in the funds themselves were. By buying fund shares on the open market, a smart investor could shake up the funds and get rich, or

See CZECH, Page 17

Polygram Buys Rights to Film Library

Compiled by Our Staff From Dispatches

NEW YORK — Polygram NV said Wednesday its film unit had agreed to buy distribution rights to the Samuel Goldwyn Co. film-and-television library for \$62 million and the assumption of unspecified assets and liabilities.

The acquisition is a key move for Polygram, which is seeking works to feed the worldwide distribution network it is building. A strong library provides cash flow to smooth earnings from Polygram's movie-producing assets, which include Interceptor Communications, Island Pictures, Propaganda Films and Working Title.

Michael Kuhn, president of Polygram Filmed Entertainment, said the deal meant Polygram's film catalog "is reaching a very significant size" that complements its new film production activities.

Among recent Polygram films have been "Four Weddings and a Funeral," "Home for the Holidays" and "French Kiss."

Polygram, which is 75 percent owned by Philips Electronics NV, saw its shares rise 3.60 guilders, to \$5.10 (\$52.92) on Wednesday. The shares had slipped 8.30 guilders on Tuesday after the company warned that a lack of hit pop albums and movies would cause its 1995 profit to remain flat.

Samuel Goldwyn Co., based in Los Angeles, was reportedly near a sale of the company this summer to Turner Broadcasting System Inc., but those discussions broke off when Turner agreed to be acquired by Time Warner Inc.

The Polygram deal does not include Samuel Goldwyn's chain of 52 theaters, its projects in development and domestic and

foreign theatrical distribution operations.

The Goldwyn film library contains more than 850 movies including recent releases such as the Academy Award-winning "The Madness of King George" as well as 75 films from the legendary producer Samuel Goldwyn Sr.

The TV library includes over 700 episodes from such TV series as the original "Flipper" and "Gentle Ben" as well as the syndicated shows "American Gladiators" and "The New Adventures of Flipper."

Meyer Gottlieb, president of Samuel Goldwyn, said the deal would allow the company to restructure its bank debt and provide for the distribution of its library.

The company posted a loss of \$12.3 million on revenue of \$53.4 million in the six months ended Sept. 30. (AP, LAT)

French Police Whisk Executive Off Airplane

Compiled by Our Staff From Dispatches

PARIS — Pierre Botton, a French businessman accused of fraud in a high-profile case, was arrested on Wednesday as he was trying to board a plane for the United States, adding intrigue to a widening anti-corruption sweep.

Authorities took Mr. Botton into custody at Charles de Gaulle Airport just hours before he was to be questioned in an influence-peddling case.

Meanwhile, Martin Bouygues, the chairman of the French construction group Bouygues, was released Wednesday after spending more than 24 hours in police custody for questioning on alleged illegal payoffs. A Bouygues spokesman said.

Mr. Bouygues had been taken into custody on Tuesday after answering a summons from a judge.

Mr. Bouygues, head of the group that also owns a dominant stake in the national TF1 television station, had been held for questioning about 2 million French francs (\$403,500) allegedly paid to a Swiss bank account held by Mr. Botton, the son-in-law of Michel Noir, a former mayor of Lyon, according to the daily Le Monde.

Mr. Botton was convicted earlier this year of fraud, and Mr. Noir of receiving the proceeds of fraud. Both are free while appealing prison sentences.

Mr. Noir was a cabinet minister who served in the conservative government of Prime Minister Jacques Chirac from 1986 to 1989. Mr. Chirac, now president, is not under investigation.

Investigators found that French political parties across the spectrum commonly demanded payoffs before munic-

ipalities they controlled would award public works contracts, and the laws on party financing were tightened after 1993 in an effort to reduce corruption.

An investigating magistrate searched Mr. Bouygues's office in Saint-Quentin-en-Yvelines, near Paris, on Wednesday, judicial authorities said.

Mr. Botton's intended destination in the United States was not immediately known. (Reuters, AP, NYT)

Total and Russia Set Deal to Tap Arctic Oil Deposit

Agence France-Presse

MOSCOW — The French oil company Total SA on Wednesday signed a major deal with Moscow to tap an oil deposit in Russia's Arctic region.

Total became the first European company to conclude a production-sharing agreement between a Russian operator and a single company, rather than a consortium.

The Total project is currently expected to produce as much as 50,000 barrels of oil a day from a deposit that is located in the northern Nenets autonomous region.

Investments are expected to reach \$300 million in the first development phase.

Russian Energy Minister Yuri Shafrenik used the occasion of the signing of the contract to sharply attack the French state for not supporting French companies that want to invest in Russia.

Mr. Shafrenik hailed Total's persistence and noted that the French concern had worked on the project for at least five years.

INTERNATIONAL MANAGER

Cathay Steps on China Partner's Toes

By Kevin Murphy
International Herald Tribune

HONG KONG — The meeting between China and the old colonial hands that once ruled this colony has never been easy or elegant. Toes are sometimes stepped on and ribs crushed in the awkward embrace that allows communism and commerce to sway to the same music.

Yet it is a dance that John Swire & Sons Ltd. has long been praised for doing well, even as this British colony prepares to revert to Beijing's rule.

Until now, that is. Among the hongs, or trading groups, the Swire family-controlled business has probably moved more adventurously than most in seeking out mainland Chinese business partners and allies.

With Swire's Cathay Pacific Airways Ltd. and the property company Swire Pacific Ltd., firmly rooted in Hong Kong, ventures with groups favored by Beijing represent an insurance policy against future interference and uncertainty.

But suddenly, after a rare public spat in the local press between the heads of Cathay Pacific and CITIC Pacific Ltd., a leading shareholder in the airline and an investment arm of the Chinese government, many here wonder if the premiums on that insurance are about to rise.

Complaints from Cathay Pacific's managing director, Rod Eddington, about unfair competition coming from China were greeted one day later by comments from his counterpart at CITIC, Henry

Fan, that the end of Cathay's privileged position was overdue.

Given the rising tensions accompanying the July 1, 1997 handover of sovereignty, analysts concerned about Swire Pacific's post-colonial future are asking, "Is this any way for a partners and so-called friends to act in public?"

"I have no doubt China will want to have a bigger stake in the aviation market going forward," said Declan Magee, an analyst with HG Asia Ltd. "With only \$50 days to go before the handover, pressure is not going to relent."

Currently John Swire & Sons controls 27 percent of Swire Pacific, which, in turn, owns 52.6 percent of Cathay Pacific, Hong Kong's leading international airline.

But CITIC Pacific has 10.5 percent of Cathay, as well as 5 percent stakes in the state-owned companies China Travel Service and China National Aviation Corp. CITIC is, in effect, Beijing's aviation holding company and the industry regulator at the same time.

Complicating matters, Cathay and Swire Pacific together own 43 percent of Dragonair, a Hong Kong-based airline that has profited in recent years from its flights to mainland China and Asian destinations not served by Cathay.

CITIC Pacific now owns 46.2 percent of Dragonair, and China National Aviation, which hopes to create its own Hong Kong airline after 1997, reportedly is in line for a stake in Dragonair.

But how much of a stake — and from whom it will come — is becoming a

matter of speculation and, recently, disagreement between Swire and CITIC.

In an interview published Wednesday in the South China Morning Post, CITIC Pacific's managing director, Henry Fan, warned Swire and Cathay Pacific "to wake up to reality and face competition."

Mr. Fan said CITIC "took exception" to comments by Mr. Eddington to the effect that Hong Kong would remain a one-airline city. He also described Swire Pacific's objections to China National Aviation Corp.'s attempt to establish a new airline in Hong Kong as "premature."

Swire Pacific and Cathay Pacific moved quickly to douse the unusual public spat, contending that Mr. Eddington's comments were taken out of context and the matter clarified with CITIC.

But several analysts greeted the contractions as a sign of the intense maneuvering underway in negotiations over Cathay's future role in Dragonair.

By threatening to start an airline that could compete head-to-head with Cathay Pacific on its international routes, China National Aviation may be squeezing Swire for a much larger stake of Dragonair than it had been prepared to give up.

"If they are allowed to compete on a level playing field, it will limit Cathay's earnings and hurt Swire, but I think they would more than survive," said one analyst, who asked not to be named. "However, if China is going to start throwing political daggers around, it's a serious problem for Cathay Pacific — and a lot of other foreign businesses around town."

Socialist to Run French Rail Service

Le Floch-Prigent Seen Speaking Unions' Language

By Barry James
International Herald Tribune

PARIS — Is this any way to run a railroad? Retirement at 50 for engineers. Lines so expensive it would be cheaper to close them and provide a collective taxi service. A 175-billion franc (\$35.7 billion) deficit and a cost to the government next year of 38.5 billion francs.

A new man stepped in on Wednesday to attempt to get the French state railroad, Société Nationale des Chemins de Fer Français back on track after a 24-day strike by railway workers protesting government attempts to restructure the industry.

He is Lolk Le Floch-Prigent, 52, who comes from a similar position as president of the state gas concern; before that, he was chairman of Elf Aquitaine SA, then a state-controlled energy company. One of the few avowed Socialists at the top of French industry, the bearded executive is referred to by detractors as "Pink Floch."

Although he has not been a favorite with previous right-of-center governments, Mr. Le Floch-Prigent was one of the few captains of industry willing to pick up the poisoned chalice at the SNCF. Some commentators said that as a Socialist, he was considered the most capable of dealing with the militant railway workers, flush with victory in forcing the government to abandon

an attempt to curb their generous benefits.

He succeeds Jean Bourguignon, who resigned last week after Prime Minister Alain Juppé attacked him for failing to establish a dialogue with the workers.

The strikers forced Mr. Juppé to abandon an assault on their privileges, including generous pension arrangements out of reach of the average French worker, and some of the highest pay and shortest hours of any railway workers in the European Union.

Any future plan is likely to include measures to trim the deficit in other ways, by slashing operating costs, reducing investments and possibly laying off part of the more than 180,000-person work force.

Since the SNCF deficit is two thirds as big as that of France's troubled social-security system, a radical restructuring of the railroad remains a priority, despite the temporary shelving of a restructuring plan under union pressure.

The unions say they have already paid their debt through 70,000 layoffs in the past decade and are not prepared to see any further dismantling of the industry. One of the many factors causing the strike was the allegation by the General Confederation of Labor, or CGT, that the government was planning to cut 6,000 kilometers (3,600 miles) of local lines.

The unions claim they are being made to pay for decisions imposed on the SNCF by the government. For example, the government sees France's network of high-speed trains as an important factor in the nation's development and a technological showcase for French industry. But SNCF was made to pay for the network largely out of its own resources, which accounts not only for a large part of the deficit but for 14 billion francs a year in debt-servicing costs.

Jean Sivardière, president of the National Federation of Transport Users Associations, which represents passengers and consumers, said concentration on the high-speed network led the SNCF into failing to invest in the lesser-used regional lines or making the marketing effort necessary to increase local traffic.

Mr. Bourguignon had been at the head of the SNCF for only 18 months, after a 24-year career at the state electricity company.

■ **France Telecom Ready to Retool**

France Telecom's chief executive, Michel Bon, unveiled a plan Wednesday to reorganize the world's fourth-largest telephone company, preparing it for competition and a planned partial sale, Bloomberg Business News reported from Paris.

Mr. Bon, who took over as the state-owned company's chairman in September, plans to introduce decentralized management, use-linked pricing and an "organization that revolves around the client."

CURRENCY & INTEREST RATES

Cross Rates									
	\$	£	DM	FF	Yen	Sc	Sw	HK	Other
Australia	1.46	2.44	1.19	0.28	1.01	1.35	—	—	—
Belgium	28.45	2.45	2.54	—	—	—	—	—	—
Canada	1.46	2.44	1.19	0.28	1.01	1.35	—	—	—
France	1.46	2.44	1.19	0.28	1.01	1.35	—	—	—
Germany	1.46	2.44	1.19	0.28	1.01	1.35	—	—	—
Italy	1.46	2.44	1.19	0.28	1.01	1.35	—	—	—
Japan	1.46	2.44	1.19	0.28	1.01	1.35	—	—	—
UK	1.46	2.44	1.19	0.28	1.01	1.35	—	—	—
US	1.46	2.44	1.19	0.28	1.01	1.35	—	—	—
Other	1.46	2.44	1.19	0.28	1.01	1.35	—	—	—
Eurocurrency Deposits									
	1 month	3 months	6 months	1 year	2 years	3 years	4 years	5 years	10 years
Australia	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Belgium	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Canada	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
France	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Germany	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Italy	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Japan	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
UK	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
US	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Other	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Key Money Rates									
	1 month	3 months	6 months	1 year	2 years	3 years	4 years	5 years	10 years
Australia	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Belgium	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Canada	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
France	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Germany	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Italy	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Japan	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
UK	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
US	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Other	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Forward Rates									
	1 month	3 months	6 months	1 year	2 years	3 years	4 years	5 years	10 years
Australia	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Belgium	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Canada	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
France	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Germany	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Italy	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Japan	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
UK	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
US	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Other	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

Business Groups In Japan Want Long Work Week

The Associated Press

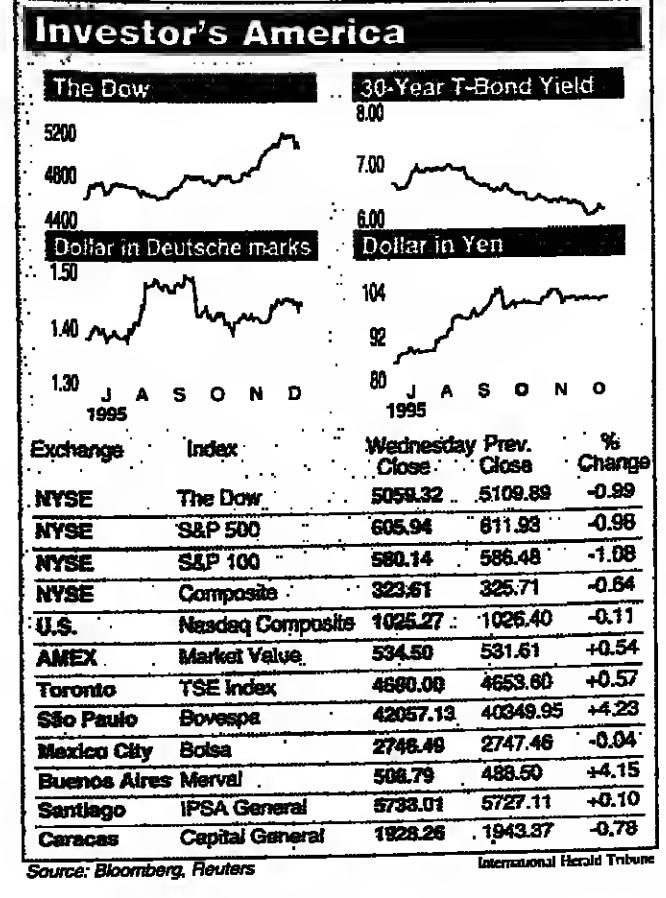
TOKYO — Four of Japan's major business groups want the nation to keep its 44-hour work week for most companies, the longest among leading industrialized nations, the groups said Wednesday.

Japan's Parliament decided in 1993 to make the 40-hour work week universal starting in April 1997. But the four major business organizations said they have asked the Labor Ministry to delay the date.

The government is encouraging shorter working hours to stimulate the economy by giving workers more time to spend their earnings. It also says it wants hard-working Japanese to enjoy an affluent lifestyle commensurate with the nation's wealth.

But the Japan Chamber of Commerce and Industry and three other groups said that the country's economic slump made it difficult for small businesses to pay overtime, as a shorter week would require.

ROMVLVS



County Sues KPMG for \$3 Billion

The Associated Press
SANTA ANA, California — Orange County sued its former outside auditor KPMG Peat Marwick for failing to detect risks to investments that resulted in the biggest U.S. municipal bankruptcy.

The suit opens a second front in the county's battle to blame brokers and other professionals for a \$1.64 billion investment loss. The county already has a \$2 billion lawsuit pending against Merrill Lynch & Co., the main investment house used by Robert L. Citron, the former county treasurer. Merrill Lynch denied wrongdoing.

The new lawsuit said that KPMG Peat Marwick, which billed itself as knowledgeable about municipal audits, was specifically asked to evaluate Mr. Citron's investments because internal county auditors lacked the know-how.

Peat Marwick, the second-largest U.S. accounting firm, denied wrongdoing and said the county was blaming others for its own mistakes.

He said investigations by a state Senate committee, the state auditor and the county grand jury have yielded no accusations of wrongdoing against his firm.

"We're not financial advisers," Mr. Miller said. "Our role was to attest to the financial statements of the county and ensure that they comply with generally accepted accounting practices," he added. "I'm very comfortable with those disclosures."

The lawsuit against Peat Marwick was filed in Bankruptcy Court in Orange County. The \$3 billion claim combines losses on securities, interest payments on debt allegedly incurred in violation of state laws, and the huge costs of the resulting bankruptcy and legal proceedings.

Among the defendants in the county's suit are Peat Marwick's chairman, Jon Madonna, and all partners and principals.

Other potential targets of county suits include bond law firms and financial advisers. "There no doubt will be more," said County Attorney J. Michael Hennigan said.

Another attorney for the county, Bruce Bennett, said the timing of the Peat Marwick lawsuit was not related to federal legislation designed to limit lawsuits over securities industry abuses. The U.S. House of Representatives on Wednesday overrode President Bill Clinton's veto of the legislation.

Deficit Standoff Brings in the Bears

Compiled by Our Staff From Dispatches
NEW YORK — Stock prices dropped sharply late Wednesday on concern that a delay in balancing the budget could prevent interest rates from falling.

After staying in positive territory for most of the day, stocks plummeted 15 minutes before the close of trading after President Bill Clinton called off budget talks with Republican congressional leaders.

The budget talks stalled, the bond market sold off and we sold off," said Todd Clark, a trader at Rodman & Renshaw.

"It made everyone sober up."

The Dow Jones industrial average finished 50.57 points lower, at 5,059.32. But advancing issues outnumbered declining ones on the New York Stock Exchange by a 10-to-7 margin. Analysts said a late wave of computer-driven sell orders had turned the market down.

Stocks had gotten an early boost from bonds, which rose in response to a decision on Tuesday by the Federal Reserve Board's policy-setting Open Market Committee to cut the federal funds target for rates — the cost to big banks of borrowing from each other — by 0.25 percentage point. A number of large banks, including Citicorp, followed the Fed's action with cuts in the prime rate, which they charge to their best customers.

Bond prices slipped in the afternoon as the news from Washington turned negative.

The price of the 30-year Treasury bond fell 12/32, to 110 4/32, pushing its yield up to 6.13 percent from 6.11 percent.

Referring to the stand-off between the White House and Congress, Joseph DeMarco, managing director of equity trading at HSBC Asset Management Americas, said: "The longer it goes on, it could turn into a financial problem."

The Standard & Poor's 500 Index fell 5.99 points, to 605.94, while the Nasdaq composite index, filled with companies that make computers and software, dropped 1.13, to 1,025.27.

Intel, the most active Nasdaq issue, fell 3/4 to 55 1/4. Microsoft fell 3/4 to 87 1/4. Netscape fell 1 1/4 to 131 and Cisco Systems dropped 1/4 to 74.

IBM dissolved its Taligent software partnership with Apple and Hewlett-Packard. IBM will now control the project, with the other two companies retaining licensing rights. Hewlett-Packard stock dropped 1/4 to 83, IBM fell 2 1/4 to 89 1/4 and Apple fell 1/4 to 32 1/4.

Shares of drug, health, beverage and tobacco companies, so-called defensive issues, were among the worst performers throughout the day. The companies' steady earnings are more valued when the outlook for the economy has dimmed.

Philip Morris stock dropped 3/4, to 86 1/4. Pfizer fell 1/4 to 61 1/4 and Coca-Cola shares dipped 3 to 74 1/4.

Consumer stocks fell early on expectations the economy would pick up after the rate cut.

So-called cyclical companies that sell big-ticket items and others whose business is closely tied to the economy's health rose because they would normally profit most from a cut in interest rates.

After the budget talks collapsed, cyclical companies joined the consumer stocks' decline.

American Healthcare Systems shares lost 55 percent of their value after the company said it expected to post losses for this quarter and the next.

The company blamed acquisition delays and higher-than-expected expansion costs for the expected losses. The stock fell 7 1/4 to 6 1/4.

General Dynamics rose 1 to 61 1/4 after a federal judge ruled against the government, in a case that could require the Pentagon to pay General Dynamics and McDonnell Douglas as much as \$1 billion each in a dispute over a Navy jet.

(Bloomberg, AP)

Kmart Bond Agreement Staves Off Crisis

Bloomberg Business News
TROY, Michigan — Kmart Corp. said Wednesday it had reached an agreement with holders of \$548 million in debt and that it would extend the term of some of its revolving-credit facilities, giving the retailer breathing room as it attempts to restructure its struggling discount stores.

The bond settlement eliminated the ability of holders of \$548 million of debt to sell back, or put, the bonds to Kmart if the company's credit rating fell below investment grade.

Kmart had said that if it had to buy back more than \$100 million of the debt it would default on its revolving credit. That could have forced it to file for bankruptcy protection. But, "bankruptcy concerns are all but eliminated in the near term," said Tim Patrick, a bond analyst at NationsBank.

The No. 2 retailer in the United States also eliminated its common stock dividend, a move that could save it more than \$220 million a year, the company said.

Howard Raab, president of Park Avenue Transglobal Financial Services Inc., which advises manufacturers on the creditworthiness of retailers, said Tuesday that Kmart was late in payments and that its suppliers would make further shipments only if they were given cash on delivery or a letter of credit in advance.

Mr. Raab restricted that statement on Wednesday. He said two small suppliers had been satisfied and that a larger supplier, a consumer-electronics maker, had said payments were not 30 days late, as it had said Tuesday. Shares in Kmart closed at \$6, unchanged.

Very briefly:

Xerox to Unload Insurance Unit

BOSTON (Bloomberg) — Xerox Corp. is close to an agreement to sell its property-and-casualty insurance business to the investment firm Kohlberg, Kravis, Roberts & Co. for \$2.2 billion, people familiar with the situation said Wednesday.

Xerox will take a charge of almost \$1 billion because it is selling the unit for less than its net worth, estimated at \$3.2 billion, the people said. The sale would complete a two-year effort by Xerox to rid itself of its financial-services businesses.

Quantum Partners LDC and Lupa Family Partners, investment funds controlled by George Soros, have acquired a total of 7.28 percent in Times Mirror Co.

Goldman Sachs Group LP said it earned \$437 million before taxes and payments to partners in its fourth quarter, compared with a year-ago loss of \$41 million; for the year ended Nov. 30, the company earned \$1.37 billion.

US Air Group Inc. said its 1995 earnings were "likely to exceed the high end of analysts' current forecasts."

Fruit of the Loom Inc. said it would take a fourth-quarter charge of up to \$260 million, in part because of a previously announced restructuring; the charge will cause a loss for the year.

Polaroid Corp. is to eliminate 1,300 jobs, or about 10 percent of its work force, in an effort to cut costs.

Chrysler Corp. is to increase North American truck production by 17 percent, and cut car output by 16 percent, raising overall production by 5 percent.

AFX, AP, Boeing

Budget Battle Holds Dollar Hostage

Bloomberg Business News
NEW YORK — The dollar fell against most major currencies Wednesday as the budget dispute between the President Bill Clinton and Congress intensified and U.S. stock and bond prices edged early gains.

The dollar benefited in early trading from optimism that an agreement would soon be worked out. But budget talks collapsed later on Wednesday after Republican leaders refused to approve spending necessary to end a partial government shutdown until Mr. Clinton signed a balanced-budget agreement.

"The news about no budget deal gave the dollar a shove," said James Kemp, a senior currency trader at Citibank.

The dollar closed at 1.4368 Deutsche marks, down from 1.4430 DM at the close on Tuesday, and at 101.725 yen, down from 102.00.

Against other currencies, the U.S. unit closed at 4.9405 French francs, down from 4.9565 francs, and at 1.1549 Swiss francs, down from 1.1580 francs. But the pound fell slightly, to \$1.5418 from \$1.5420.

Falling stock and bond prices can hurt the dollar because international investors selling U.S. securities often convert the dollar proceeds into foreign currencies.

The dollar rose on Tuesday after the Federal Reserve Board cut its target for the federal funds rate, igniting an ascent in U.S. stock and bond prices. "It was positive for the dollar that the Fed lowered rates," said Dorit Ronnen, a currency trader for Bank Leumi Trust Co. in New York.

But that support was lost Wednesday because of the budget impasse.

World Stock Markets

High	Low	Close	Prev.
Frankfurt	100.00	100.00	100.00
Johannesburg	100.00	100.00	100.00
Kuala Lumpur	100.00	100.00	100.00
London	100.00	100.00	100.00
Hong Kong	100.00	100.00	100.00
Brussels	100.00	100.00	100.00
Copenhagen	100.00	100.00	100.00
Stockholm	100.00	100.00	100.00
Oslo	100.00	100.00	100.00
Madrid	100.00	100.00	100.00
Paris	100.00	100.00	100.00
Sydney	100.00	100.00	100.00
Melbourne	100.00	100.00	100.00
Wellington	100.00	100.00	100.00
Zurich	100.00	100.00	100.00
Vancouver	100.00	100.00	100.00
Calgary	100.00	100.00	100.00
Edmonton	100.00	100.00	100.00
Winnipeg	100.00	100.00	100.00
Saskatoon	100.00	100.00	100.00
Regina	100.00	100.00	100.00
Calgary	100.00	100.00	100.00
Edmonton	100.00	100.00	100.00
Winnipeg	100.00	100.00	100.00
Saskatoon	100.00	100.00	100.00
Regina	100.00	100.00	100.00

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to Buy
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EUROPE

Hoechst to Slash
Drugs Division,
Cutting 8,000 Jobs

The Associated Press
FRANKFURT — Hoechst AG said Wednesday that it planned to cut 8,000 jobs in a far-reaching reorganization of its global pharmaceutical business, Hoechst Marion Roussel.

Hanson Outlines
£1.5 Billion Plan
To Trim Its Lines

LONDON — Hanson PLC on Wednesday announced three measures aimed at raising £1.5 billion (\$2.3 billion) and narrowing its range of businesses. Hanson will offer shares in its Suburban Propane Gas Corp. unit in the United States, put Cavenham Forest Industries Inc. — another U.S. subsidiary — up for sale and sell part of its plan to "concentrate on fewer, larger activities," Derek Bonham, its chief executive, said.

Hanson, which has said it wants to focus on its chemical, consumer goods, energy, building materials and equipment interests, plans to raise £1 billion by selling Cavenham Forest, which owns 1.75 million acres of U.S. timberland and a sawmill operator. It also plans to sell 62 percent of Suburban Propane through a public offering. It said the offer and a debt issue by Suburban should raise £500 million.

Separately, Fortis PLC, seeking to fend off a takeover bid from Granada Group PLC, said it had sold its Travelodge hotel chain to an American consortium led by Hospitality Franchise Systems Inc., which operates Howard Johnson hotels, for \$175 million.

(Bloomberg, Reuters)

Europe's Air Fares Cling to Heights
Winds of Change Barely Stir State-Owned CarriersBy Richard W. Stevenson
New York Times Service

LONDON — Nearly three years after the European Union lifted most restrictions on the routes airlines could fly within Europe and on what they could charge, many air fares remain breathtakingly high, with many carriers remaining state-owned and only starting to cut operating costs.

Never is the contrast made more clear than when some upstart emerges to take on the entrenched airlines.

While Europe's state-owned airlines struggle financially, EBA Express — which started flying only last year — is already profitable and is adding new flights and destinations at low prices. The only real difference between it and the established major carriers is that EBA offers no meals and requires a day's notice of any change in reservations.

"Intra-European flights are too expensive," said Victor Hassen, managing director of EBA Express, which is owned by City Hotels SA of Brussels. "The market demand was there to make a no-frills, low-fare operation successful. We get people to fly where in the past they couldn't afford to fly."

Within Europe, though, innovative carriers such as EBA Express remain the exception. Few of the state-owned carriers have expanded to new routes, leaving travelers in many cases with a choice among only a few carriers, all charging the same high fares.

Only 7 percent of European routes that cross borders are served by more than two airlines, according to a recent study by Britain's Civil Aviation Authority.

A recent study by American Express found that fares within Europe were roughly twice as high as those for comparable distances in the United States.

"I am concerned that consumers have not benefited as much as expected from more choice and lower fares," said Neil Kinnoch, the commissioner in charge of transportation policy for the European Union and a former leader of Britain's Labor Party.

Most fares within Europe, he said, are still "considerably above what could reasonably be justified by cost levels."

The high fares are evidence that Europeans have so far seen nothing like the upheaval that airline deregulation brought to the United States during the last two decades.

But with the EU scheduled to remove the remaining barriers to competition on European routes in 1997, and a growing number of small but determined new carriers springing up to grab a piece of the business, the need to get into fighting trim and bring fares down is finally being taken seriously by Europe's big airlines.

There is no doubt that the stakes for them are high. Many analysts say that only four or so of the dozen biggest carriers will survive in their current form once deregulation is completed, throwing state-owned airlines into the rough-and-tumble of the private sector.

Lufthansa and British Airways lead the list of those likely to prosper, as both of them have already been privatized and are considered efficient by worldwide standards. Air France is a big question mark, as is Alitalia, and Iberia faces a bleak future in the view of many analysts.

The high-cost carriers have survived only with government aid. Iberia won approval from the European Union last week for \$705 million in new subsidies from the Spanish government. Air France is in the middle of a \$4 billion government subsidy program. But the European Union has promised to crack

down on further subsidies and eventually to disallow them.

Unions representing airline employees, militantly protecting their pay and working conditions, are quick to strike, hurting service, reputation and profits. The strike-plagued Scandinavian Airlines System said work stoppages had cost it about \$45 million in the first nine months of the year.

Governments, worried about being blamed for further job losses when unemployment across Europe is already high, have proved reluctant to push job cuts among state-owned carriers.

There are some big exceptions to the trend. Britain, Ireland and Germany have gone much further than other nations in deregulating their domestic airline industries and have pushed their airlines to become more competitive.

British Airways has become Europe's most efficient carrier largely because it must compete with a well-established domestic competitor, British Midland, and a growing number of start-ups.

Another British carrier, Virgin Atlantic Airways, which now flies to the United States and Asia from London, is considering offering flights within Europe.

Even those airlines that have long enjoyed political and regulatory protection from their governments are now being forced to consider serious changes to survive.

Despite a history of vehement opposition from its unions, Air France, for example, has proposed hiring new cabin crew members at lower pay than current employees, and its chairman, Christian Blanc, has sought to stimulate entrepreneurial management environment by breaking the company's operations into 11 units, each responsible for its own performance.

Ameritech & Telekom Get Hungary Deal

Bloomberg Business News

BUDAPEST — Ameritech Corp. and Deutsche Telekom AG said Wednesday they would pay \$850 million to raise their stake in the Hungarian telephone company Matav to 67 percent from 30 percent.

The companies, through their Magyar Telekom, paid \$875 million in Dec. 1993 for the original stake in the first sale of a stake in an Eastern European phone company to foreign investors.

The venture is to get a 25-year concession for long-distance and local calls and a long-distance monopoly for eight years. The deal, which is one of the largest privatizations to date in Eastern Europe,

includes a pledge to float part of Matav on the stock exchange at an unspecified date.

Demand for Matav's services is booming in Hungary, where there are about 24 phone lines for every 100 people, compared with a U.S. ratio of 60 lines per 100 people. Hungary has a population of about 10.4 million. There are about 524,000 pending requests for telephone lines in Hungary.

"Rarely do you have this kind of suppressed demand," Mr. Catlow said.

The government privatization agency will retain a 28 percent stake in Matav.

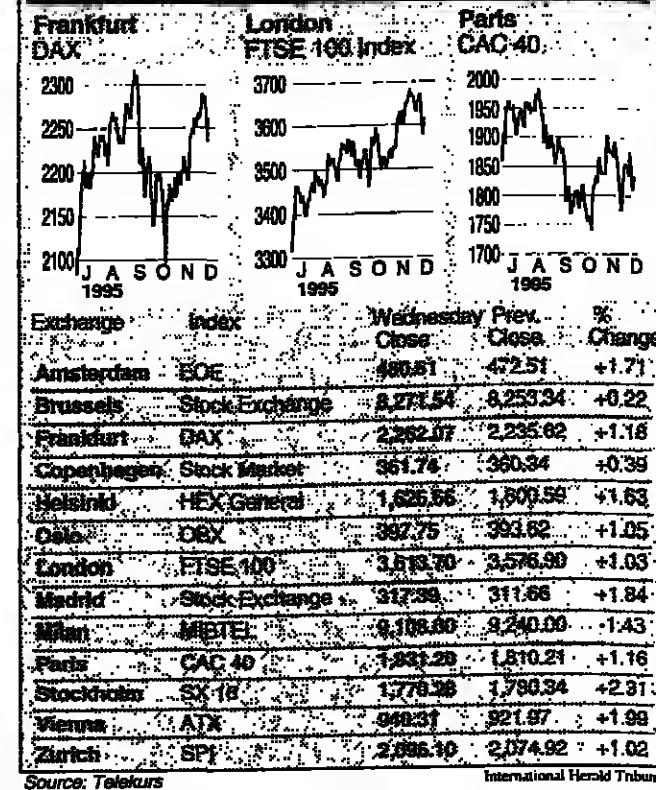
Other Matav shareholders include the European Bank for Reconstruction & Development, with about 2 percent, and International Finance Corp., the private arm of the World Bank, with less than 1 percent.

Tele Danmark Seeks Czech Deal

Tele Danmark A/S and Telenor Bedrift AS of Norway agreed on Wednesday to submit a joint bid for a mobile-phone license in the Czech Republic, Bloomberg Business News reported from Prague.

The companies are seeking a 49 percent stake in a venture with Ceske Radiokomunikace AS, which will operate one of two GSM licenses in the Czech Republic. GSM, or Global System for Mobile Communications, lets customers use phones outside their home countries.

Investor's Europe



Very briefly:

•Sodexo SA, the world's largest catering company, bought the Swedish service company Partena for 1.5 billion kronor (\$101.4 million) from Volvo AB and Industri Kapital AB.

•Cagiva SpA's chairman said the Italian motorcycle company would sell a 50 percent stake in its Ducati motorcycle division to Sam Zell, the U.S. financier.

•The European Commission said it has extended the scope of its state-aid inquiry into Compagnie Generale Maritime SA. The investigation, which was launched in October, is to cover a further 1.125 billion francs (\$226.9 million) that is to be granted to its parent company.

•Walter Bau AG said it would lead a consortium to develop, build and operate a stretch of motorway in northern Lebanon on the road between Beirut and Tripoli. The contract is valued at \$450 million and construction is to begin in mid-1996.

•Renters Holdings PLC and Havas SA said they were setting up a venture to develop and market online information and transaction services for the European advertising and media market.

•The European Commission said it was considering fining Bayer AG, the German pharmaceutical and chemical company, for illegally restricting distribution of its heart disease drug Adalat.

•Dresdner Bank AG said it would provide "extra explanatory details" on its 1995 results in an effort to improve transparency, but will not switch to international accounting standards until German law on the issue has been changed. The bank said it welcomed the greater openness in bank reporting in the wake of Deutsche Bank AG's switch to the standards.

•Volvo AB said it was considering car production in the United States but noted that this was not the only solution for improving the balance between dollar income and expenditure.

•Calvin Klein Inc. said it reached agreement with Italy's Stefanel SpA to produce and sell the U.S. designer's CK Uomo and CK Donna clothes in the Middle East and Eastern Europe.

AFP, AP, Bloomberg, Reuters

U.S. STOCK MARKET DIARY

Indexes					Most Active				
Index	Open	High	Low	Close	Index	Open	High	Low	Close
Dow Jones	5328.25	5341.24	5339.32	5339.32	IBM	100.00	100.00	100.00	100.00
S&P 500	1024.78	1027.25	1024.78	1024.78	Microsoft	50.00	50.00	50.00	50.00
Nasdaq	2092.24	2097.25	2092.24	2092.24	Oracle	20.00	20.00	20.00	20.00
AMEX	100.00	100.00	100.00	100.00	Intel	30.00	30.00	30.00	30.00

Trading Activity					Market Sales				
Index	Open	High	Low	Close	Index	Open	High	Low	Close
Advanced	148	154	148	148	Advanced	211	211	211	211
Unchanged	92	92	92	92	Unchanged	171	171	171	171
New Issues	17	17	17	17	New Issues	14	14	14	14
New Loans	4	4	4	4	New Loans	9	9	9	9

Dividends					Market Sales				
Company	Per	Ann	Rec	Pay	Company	Per	Ann	Rec	Pay
Advanced	1.00	1.00	1.00	1.00	Advanced	2.00	2.00	2.00	2.00
Unchanged	0.50	0.50	0.50	0.50	Unchanged	1.00	1.00	1.00	1.00
New Issues	0.25	0.25	0.25	0.25	New Issues	0.50	0.50	0.50	0.50
New Loans	0.10	0.10	0.10	0.10	New Loans	0.25	0.25	0.25	0.25

STOCK SPLIT					REGULAR				
Company	Per	Ann	Rec	Pay	Company	Per	Ann	Rec	Pay
Advanced	1.00	1.00	1.00	1.00	Advanced	2.00	2.00	2.00	2.00
Unchanged	0.50	0.50	0.50	0.50	Unchanged	1.00	1.00	1.00	1.00
New Issues	0.25	0.25	0.25	0.25	New Issues	0.50	0.50	0.50	0.50
New Loans	0.10	0.10	0.10	0.10	New Loans	0.25	0.25	0.25	0.25

STOCK SPLIT					REGULAR				
Company	Per	Ann	Rec	Pay	Company	Per	Ann	Rec	Pay
Advanced	1.00	1.00	1.00	1.00	Advanced	2.00	2.00	2.00	2.00
Unchanged	0.50	0.50	0.50	0.50	Unchanged	1.00	1.00	1.00	1.00
New Issues	0.25	0.25	0.25	0.25	New Issues	0.50	0.50	0.50	0.50
New Loans	0.10	0.10	0.10	0.10	New Loans	0.25	0.25	0.25	0.25

STOCK SPLIT					REGULAR				
Company	Per	Ann	Rec	Pay	Company	Per	Ann	Rec	Pay
Advanced	1.00	1.00	1.00	1.00	Advanced	2.00	2.00	2.00	2.00
Unchanged	0.50	0.50	0.50	0.50	Unchanged	1.00	1.00	1.00	1.00
New Issues	0.25	0.25	0.25	0.25	New Issues	0.50	0.50	0.50	0.50
New Loans	0.10	0.10	0.10	0.10	New Loans	0.25	0.25	0.25	0.25

STOCK SPLIT					REGULAR				
Company	Per	Ann	Rec	Pay	Company	Per	Ann	Rec	Pay
Advanced	1.00	1.00	1.00	1.00	Advanced	2.00	2.00	2.00	2.00
Unchanged	0.50	0.50	0.50	0.50	Unchanged	1.00	1.00	1.00	1.00
New Issues	0.25	0.25	0.25	0.25	New Issues	0.50	0.50	0.50	0.50
New Loans	0.10	0.10	0.10	0.10	New Loans	0.25	0.25	0.25	0.25

STOCK SPLIT					REGULAR				
Company	Per	Ann	Rec	Pay	Company	Per	Ann	Rec	Pay
Advanced	1.00	1.00	1.00	1.00	Advanced	2.00	2.00	2.00	2.00
Unchanged	0.50	0.50	0.50	0.50	Unchanged	1.00	1.00	1.00	1.00
New Issues	0.25	0.25	0.25	0.25	New Issues	0.50	0.50	0.50	0.50
New Loans	0.10	0.10	0.10	0.10	New Loans	0.25	0.25	0.25	0.25

STOCK SPLIT					REGULAR				
Company	Per	Ann	Rec	Pay	Company	Per	Ann	Rec	Pay
Advanced	1.00	1.00	1.00	1.00	Advanced	2.00	2.00	2.00	2.00
Unchanged	0.50	0.50	0.50	0.50	Unchanged	1.00	1.00	1.00	1.00
New Issues	0.25	0.25	0.25	0.25	New Issues	0.50	0.50	0.50	0.50
New Loans	0.10	0.10	0.10	0.10	New Loans	0.25	0.25	0.25	0.25

INTERNATIONAL FUTURES

Dec. 20, 1995					High Low Close Open				
Grains									
CORN (CBOT)									
5,000 lbs.-cents per bushel									
Mar '96	3.554	3.534	3.544	-0.016	94.83				
May '96	3.594	3.574	3.584	-0.017	95.13				
Jul '96	3.634	3.614	3.624	-0.019	95.43				
Sep '96	3.674	3.654	3.664	-0.019	95.72				
Est. prices N.A.	3.70	3.68	3.69	-0.019	95.72				
Tue's open	3.68	3.66	3.67	-0.019	95.72				
SOYBEAN MEAL (CBOT)									
100 tons-cents per bushel									
Mar '96	224.50	223.70	223.80	-1.50	25.72				
May '96	225.50	224.70	224.80	-1.50	26.02				
Jul '96	226.50	225.70	225.80	-1.50	26.32				
Sep '96	227.50	226.70	226.80	-1.50	26.62				
Est. prices N.A.	228.50	227.70	227.80	-1.50	26.92				
Tue's open	227.50	226.70	226.80	-1.50	26.62				
SOYBEAN OIL (CBOT)									
5,000 lbs.-cents per 100 lbs.									
Mar '96	23.89	23.48	23.49	-0.423	27.19				
May '96	24.09	23.68	23.69	-0.403	27.39				
Jul '96	24.29	23.88	23.89	-0.413	27.59				
Sep '96	24.49	24.08	24.09	-0.413	27.79				
Est. prices N.A.	24.69	24.28	24.29	-0.413	27.99				
Tue's open	24.29	23.88	23.89	-0.413	27.59				
SOYBEANS (CBOT)									
5,000 lbs.-cents per bushel									
Mar '96	7.264	7.214	7.214	-0.054	94.57				
May '96	7.314	7.264	7.264	-0.054	94.87				
Jul '96	7.364	7.314	7.314	-0.054	95.17				
Sep '96	7.414	7.364	7.364	-0.054	95.47				
Est. prices N.A.	7.464	7.414	7.414	-0.054	95.77				
Tue's open	7.414	7.364	7.364	-0.054	95.47				
WHEAT (CBOT)									
5,000 lbs.-cents per bushel									
Mar '96	4.874	4.824	4.824	-0.054	93.24				
May '96	4.924	4.874	4.874	-0.054	93.54				
Jul '96	4.974	4.924	4.924	-0.054	93.84				
Sep '96	5.024	4.974	4.974	-0.054	94.14				
Est. prices N.A.	5.074	5.024	5.024	-0.054	94.44				
Tue's open	5.024	4.974	4.974	-0.054	94.14				
LIVESTOCK									
CATTLE (CME)									
40,000 lbs.-cents per lb.									
Mar '96	67.35	67.32	67.32	-0.23	4.29				
May '96	67.35	67.32	67.32	-0.23	4.59				
Jul '96	67.35	67.32	67.32	-0.23	4.89				
Sep '96	67.35	67.32	67.32	-0.23	5.19				
Est. prices N.A.	67.35	67.32	67.32	-0.23	5.49				
Tue's open	67.35	67.32	67.32	-0.23	5.19				
PORK BELT (CME)									
50,000 lbs.-cents per lb.									
Mar '96	63.35	63.10	63.12	-0.15	3.74				
May '96	63.35	63.10	63.12	-0.15	4.04				
Jul '96	63.35	63.10	63.12	-0.15	4.34				
Sep '96	63.35	63.10	63.12	-0.15	4.64				
Est. prices N.A.	63.35	63.10	63.12	-0.15	4.94				
Tue's open	63.35	63.10	63.12	-0.15	4.64				
HOGS (CME)									
50,000 lbs.-cents per lb.									
Mar '96	49.35	49.10	49.12	-0.15	1.49				
May '96	49.35	49.10	49.12	-0.15	1.79				
Jul '96	49.35	49.10	49.12	-0.15	2.09				
Sep '96	49.35	49.10	49.12	-0.15	2.39				
Est. prices N.A.	49.35	49.10	49.12	-0.15	2.69				
Tue's open	49.35	49.10	49.12	-0.15	2.39				
PORK BELT (CME)									
50,000 lbs.-cents per lb.									
Mar '96	60.35	60.10	60.12	-0.15	5.89				
May '96	60.35	60.10	60.12	-0.15	6.19				
Jul '96	60.35	60.10	60.12	-0.15	6.49				
Sep '96	60.35	60.10	60.12	-0.15	6.79				
Est. prices N.A.	60.35	60.10	60.12	-0.15	7.09				
Tue's open	60.35	60.10	60.12	-0.15	6.79				
FOOD									
COCA (INCE)									
100 lbs.-cents per lb.									
Dec '95	1.354	1.344	1.344	-0.110					
Mar '96	1.394	1.384	1.384	-0.110					
May '96	1.434	1.424	1.424	-0.110					
Jul '96	1.474	1.464	1.464	-0.110					
Sep '96	1.514	1.504	1.504	-0.110					
Est. prices N.A.	1.554	1.544	1.544	-0.110					
Tue's open	1.514	1.504	1.504	-0.110					
COFFEE (INCE)									
100 lbs.-cents per lb.									
Mar '96	100.40	92.40	92.40	-18.00	8.63				
May '96	100.40	92.40	92.40	-18.00	8.93				
Jul '96	100.40	92.40	92.40	-18.00	9.23				
Sep '96	100.40	92.40	92.40	-18.00	9.53				
Est. prices N.A.	100.40	92.40	92.40	-18.00	9.83				
Tue's open	100.40	92.40	92.40	-18.00	9.53				
SUGAR-WORLD 11 (INCE)									
100 lbs.-cents per lb.									
Mar '96	11.30	11.20	11.20	-0.10	8.24				
May '96	11.30	11.20	11.20	-0.10	8.54				
Jul '96	11.30	11.20	11.20	-0.10	8.84				
Sep '96	11.30	11.20	11.20	-0.10	9.14				
Est. prices N.A.	11.30	11.20	11.20	-0.10	9.44				
Tue's open	11.30	11.20	11.20	-0.10	9.14				
HIGH LOW CLOSE OPEN									
ORANGE JUICE (FUT)									
100 lbs.-cents per 100 lbs.									
Mar '96	119.20	119.20	119.20	+3.00	8.70				
May '96	120.20	120.20	120.20	+3.00	9.00				
Jul '96	121.20	121.20	121.20	+3.00	9.30				
Sep '96	122.20	122.20	122.20	+3.00	9.60				
Est. prices N.A.	123.20	123.20	123.20	+3.00	9.90				
Tue's open	122.20	122.20	122.20	+3.00	9.60				
Metals									
GOLD (COMEX)									
100 oz.-dollars per 100 oz.									
Mar '96	389.50	389.50	389.50	+1.40	3.00				
May '96	390.50	390.50	390.50	+1.40	3.30				
Jul '96	391.50	391.50	391.50	+1.40	3.60				
Sep '96	392.50	392.50	392.50	+1.40	3.90				
Est. prices N.A.	393.50	393.50	393.50	+1.40	4.20				
Tue's open	391.50	391.50	391.50	+1.40	3.90				
SILVER (COMEX)									
100 oz.-dollars per 100 oz.									
Mar '96	17.10	17.10	17.10	+1.15	3.60				
May '96	17.20	17.20	17.20	+1.15	3.90				
Jul '96	17.30	17.30	17.30	+1.15	4.20				
Sep '96	17.40	17.40	17.40	+1.15	4.50				
Est. prices N.A.	17.50	17.50	17.50	+1.15	4.80				
Tue's open	17.30	17.30	17.30	+1.15	4.50				
HIGHER GRADE COPPER (COMEX)									
25,000 lbs.-cents per 100 lbs.									
Mar '96	123.10	123.10	123.10	+1.15	3.60				
May '96	124.10	124.10	124.10	+1.15	3.90				
Jul '96	125.10	125.10	125.10	+1.15	4.20				
Sep '96	126.10	126.10	126.10	+1.15	4.50				
Est. prices N.A.	127.10	127.10	127.10	+1.15	4.80				
Tue's open	125.10	125.10	125.10	+1.15	4.50				
COPPER (COMEX)									
25,000 lbs.-cents per 100 lbs.									
Mar '96	123.10	123.10	123.10	+1.15	3.60				
May '96	124.10	124.10	124.10	+1.15	3.90				
Jul '96	125.10	125.10	125.10	+1.15	4.20				
Sep '96	126.10	126.10	126.10	+1.15	4.50				
Est. prices N.A.	127.10	127.10	127.10	+1.15	4.80				
Tue's open	125.10	125.10	125.10	+1.15	4.50				
SILVER (COMEX)									
100 oz.-dollars per 100 oz.									
Mar '96	17.10	17.10	17.10	+1.15	3.60				
May '96	17.20	17.20	17.20	+1.15	3.90				
Jul '96	17.30	17.30	17.30	+1.15	4.20				
Sep '96	17.40	17.40	17.40	+1.15	4.50				
Est. prices N.A.	17.50	17.50	17.50	+1.15	4.80				
Tue's open	17.30	17.30	17.30	+1.15	4.50				
PLATINUM (COMEX)									
500 oz.-dollars per 100 oz.									
Mar '96	408.20	408.20	408.20	+3.00	7.40				
May '96	409.20	409.20	409.20	+3.00	7.70				
Jul '96	410.20	410.20	410.20	+3.00	8.00				
Sep '96	411.20	411.20	411.20	+3.00	8.30				
Est. prices N.A.	412.20	412.20	412.20	+3.00	8.60				
Tue's open	410.20	410.20	410.20	+3.00	8.30				
LONDON METALS (LME)									
DOLLARS PER TON									
Mar '96	165.00	165.00	165.00	+1.67	1.67				
May '96	166.00	166.00	166.00	+1.67	1.67				
Jul '96	167.00	167.00	167.00	+1.67	1.67				
Sep '96	168.00	168.00	168.00	+1.67	1.67				
Est. prices N.A.	169.00	169.00	169.00	+1.67	1.67				
Tue's open	167.00	167.00	167.00	+1.67	1.67				
NEW YORK METALS (NYMEX)									
DOLLARS PER TON									
Mar '96	71.00	71.00	71.00	+71.00	71.00				
May '96	72.00	72.00	72.00	+72.00	72.00				
Jul '96	73.00	73.00	73.00	+73.00	73.00				
Sep '96	74.00	74.00	74.00	+74.00	74.00				
Est. prices N.A.	75.00	75.00	75.00	+75.00	75.00				
Tue's open	73.00	73.00	73.00	+73.00	73.00				
FINANCIAL									
U.S. TREASURY (CBOT)									
100 million par value									
Mar '96	93.14	93.08	93.09	-0.03	7.41				
May '96	93.14	93.08	93.09	-0.03	7.71				
Jul '96	93.14	93.08	93.09	-0.03	8.01				
Sep '96	93.14	93.08	93.09	-0.03	8.31				
Est. prices N.A.	93.14	93.08	93.09	-0.03	8.61				
Tue's open	93.14	93.08	93.09	-0.03	8.31				
5 YR. TREASURY (CBOT)									
100 million par value									
Mar '96	118.10	118.10	118.10	+0.15	8.30				
May '96	119.10	119.10	119.10	+0.15	8.60				
Jul '96	120.10	120.10	120.10	+0.15	8.90				
Sep '96	121.10	121.10	121.10	+0.15	9.20				
Est. prices N.A.	122.10	122.10	122.10	+0.15	9.50				
Tue's open	120.10	120.10	120.10	+0.15	9.20				
10 YR. TREASURY (CBOT)									
100 million par value									
Mar '96	118.10	118.10	118.10	+0.15	8.30				
May '96	119.10	119.10	119.10	+0.15	8.60				
Jul '96	120.10	120.10	120.10	+0.15	8.90				
Sep '96	121.10	121.10	121.10	+0.15	9.20				

ASIA/PACIFIC

Honda to Produce More Than Half Its Vehicles Abroad

Compiled by Our Staff From Dispatches
TOKYO—Honda Motor Co. said Wednesday it expected to make more vehicles abroad than in Japan next year, which analysts said would be a first for the country's automobile industry. Honda predicted it would make 975,000 vehicles in Japan next year, unchanged from this year's estimated level and down 2.3 percent from 1994. The company said it expected production at its overseas plants to climb 12.9 percent, to 966,000 vehicles, in 1996. Overseas production rose 12.1 percent this year.

Industry analysts said it would be the first time that overseas production had accounted for more than half of a Japanese automaker's output. A strong yen and fierce price competition are making Honda and other Japanese automakers expand production abroad, while those factors and a weak Japanese economy are restraining domestic output.

For example, Honda announced in Toronto on Tuesday that it would invest 300 million Canadian dollars (\$218.4 million) in a plant to produce a new minivan for the North American market. The expansion will double output at Honda's operations in Alliston, Ontario, by adding annual capacity of 120,000 vehicles starting in 1998.

Honda is expected to hire 1,200 employees as part of the expansion, which the company said would bring its annual output in North America to 840,000 units.

Honda also forecast growth Wednesday for its automobile sales in Japan next year, predicting they would rise 14.5 percent, to 720,000 vehicles, after growing 12.5 percent in 1995. The figure includes Honda cars made

abroad. The company expects its 1996 automobile exports from Japan to plunge 19.9 percent, to 350,000, after a fall of 15.3 percent this year.

Honda's president, Nobuhiko Kawamoto, said Honda would begin manufacturing a new passenger-car model in Thailand in the first half of 1996 with a production goal of 60,000 a year. He said the company hoped to make Bangkok its regional headquarters.

Honda executives also said the company had begun technical experiments on developing what it said would be the world's smallest jet engine.

"We have no plans at the moment to mass-produce this engine, but we hope to apply some of the technology we learned here to automobile production," one executive said.

He said the company planned eventually to establish a business related to jet-engine production. Honda said the engine would be able to fly a plane at speeds up to 800 kilometers an hour (500 mph).

(AFP, Reuters, AFX)

Nissan Plans U.S. Plant
 Nissan Motor Co. said it would invest 5 billion yen (\$49.2 million) to build a transmission plant in the United States with an annual capacity of 300,000 units, AFX News reported.

Nissan said production would start in the spring of 1998.

The automaker also said it expected its vehicle sales in Japan to rise 7.1 percent, to 1.2 million vehicles, in 1996 after a 7.7 percent increase in 1995.

Nissan predicted Japan's economy would gradually recover in 1996 and that domestic demand for autos excluding minivans would rise 4.1 percent next year, to 5.4 million vehicles.

Taxpayers Decry Bailout

Japan Bank Stocks Gain but Public Wails

Bloomberg Business News
TOKYO—Japan's decision to use public money to bail out seven insolvent housing loan companies is being applauded by stock investors and booed by taxpayers.

After long negotiations between the companies, known as *jusen*, their creditors and the government, the Japanese Treasury on Tuesday said it would use 680 billion yen (\$6.67 billion) of taxpayer funds to pay off the debt.

The stock market cheered the news. Shares in banks, which until Tuesday thought they might have to shoulder some of the losses, rose nearly 2 percent on Wednesday, fueling a 1.61 percent gain in the benchmark Nikkei 225 Index.

"The *jusen* problem is finally coming to an end," said Satoru Wakebe, a fund manager at Gamma Asset Management (Japan). "It's convincing because we are seeing figures."

Japanese taxpayers—each of whom will shoulder a 5,478 yen (\$54) bill as their contribution to the bailout—were far less enthusiastic.

"Are they joking?" asked Masayoshi Fukuda, a 30-year-old elevator repairman. "The decision was handed down from above. I would have preferred some sort of consultation with the public."

Further losses that have not yet been declared uncollectible may eventually push the total cost of the bailout to 1.2 trillion yen (\$11.76 billion), or nearly 10,000 yen per taxpayer, said Yoshinobu Yamada, a bank analyst at Merrill Lynch Japan.

Editorials in Japan's leading newspapers on Wednesday blasted the taxpayer bailout.

Mainichi Shimbun called it "a stupid plan that forces sacrifices on Japanese citizens" and Asahi Shimbun said it was "a reckless

breach of the standards of fiscal policy."

Large families will be especially hard hit. "20,000 yen per family of four really hurts," said Eisuko Hinata, 49, a receptionist for a maintenance company in Osaka. "I listened to the prime minister's speech last night, but I still don't understand why taxpayers have to pay."

The financial problems of the *jusen* began in the late 1980s when, lured by land prices that tripled between 1985 and 1990, they abandoned their traditional home-mortgage business to make loans to real estate developers and speculators.

Bank of Japan Governor Yasuo Mutsushira said the government's plan to help bail out Japan's troubled housing lenders would restore global confidence in the U.S. financial system.

"This is a decisive step," he said. "We hope that this will speed up progress in resolving the bad loan problem and lead to the stabilization of the financial system."

Mr. Mutsushira urged that the government follow through as quickly as possible on its pledged investigation to determine who was responsible for the failures.

Japan Budgets a Record Deficit
 Japanese lawmakers traded accusations of fiscal irresponsibility Wednesday after the government announced an annual budget with a record deficit. The Associated Press reported from Tokyo.

The draft budget for the fiscal year beginning April 1, 1996, calls for a record 75.12 trillion yen in spending, up 5.8 percent from last year's initial budget. To help pay for it, the government will issue bonds worth 21 trillion yen, setting another record.

Bajaj Woos Chrysler, Kawasaki

Bloomberg Business News

PUNE, India—Chrysler Corp. and Kawasaki Heavy Industries Ltd. of Japan are considering buying stakes in Bajaj Auto Ltd. of India, one of the world's largest makers of 2- and 3-wheel scooters, Bajaj said Wednesday.

Chrysler may buy a 5 percent to 7 percent stake if Bajaj chooses it as a partner for a proposed automobile venture, said Rahul Bajaj, the company's chairman. Kawasaki, which collaborates with Bajaj to make motorcycles, may seek a 2 percent stake, he said.

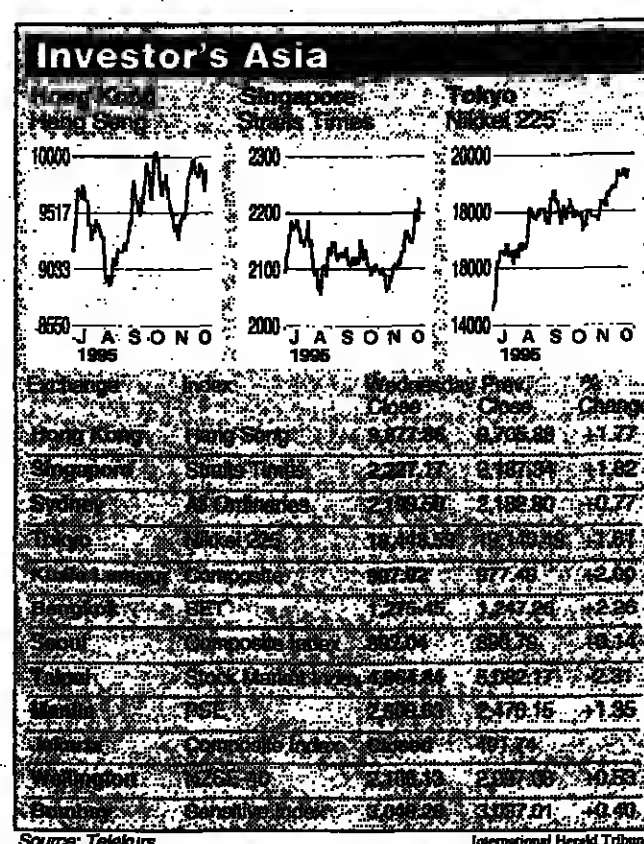
"Chrysler is considering it," said Mr. Bajaj, adding that the Kawasaki stake was "being discussed informally."

A spokesman for Kawasaki said the company had "received a request from Bajaj over taking a stake and is now considering the matter."

Bajaj has focused on Chrysler, along with Fuji Heavy Industries Ltd. of Japan, as potential partners for a car-manufacturing venture it is planning. If it chooses Chrysler, the U.S. company may buy a stake similar to the 7 percent stake held by Ford Motor Co. in its Indian partner, Mahindra & Mahindra Co., Mr. Bajaj said. That would be in addition to Chrysler buying equity in the separate venture to make small autos, he said.

A 7 percent stake would cost Chrysler about 3.8 billion rupees (\$108.6 million) at market prices, said Mr. Bajaj. A 2 percent stake would cost Kawasaki 1.1 billion rupees.

The possibility of a major automaker taking a stake in Bajaj was just one reason why its shares were considered attractive, said S. Subramanian, an analyst at the brokerage HG Asia Ltd. "The basic reason is its scooter business," he said. "Bajaj is clearly the leader."



Very briefly:

• Smithkline Beecham PLC plans to delist from the Tokyo stock exchange; the company cited the high cost of maintaining the listing and the small volumes traded in its stock.

• Reliance Industries Ltd. said a Bombay court lifted an order preventing the trade of 1.5 million shares. The company claimed this vindicated its stand that it had been dragged into controversy "for ulterior motives."

• Reliance Petroleum Ltd. plans to spend \$2.6 billion to build one of the world's largest oil refineries; Universal Oil Products of the United States is to provide technical assistance, while Bechtel Group Inc. is to build the plant.

• News Corp. said it would not buy any of the newspapers owned by the rival John Fairfax Holdings Ltd.

• The Bank of Thailand said 1995 inflation would be 5.8 percent, up from 5 percent last year and above its target of 5.2 percent; the central bank blamed the increase on severe flooding.

• Chinese Petroleum Corp., Taiwan's state-run oil company, is to list 51 percent of its shares from July 1997; 20 percent of the shares will be sold to overseas investors.

• Michelin of France, the world's largest tire maker, is to manufacture tires in China through a joint venture company called Michelin Shen Yang Tire Co. in the city of Shen Yang.

• China's deputy prime minister, Zhu Rongji called for tightened supervision of China's experimental stock market and increased law enforcement.

AFP, AP, Bloomberg, Reuters

CZECH: Young Raiders' Coup

Continued from Page 13

go after control of the funds and their holdings.

To avoid detection by regulators and market players, Mr. Dienst said, they set up a string of shell companies that placed small ads in Czech newspapers offering cash for shares. In the moribund Czech market, they collected enough shares to "launch their first assault: a raid on the investment funds of Agrobanka, the country's largest private bank, and the attempted takeover of the regional bank Pzenska Banka.

Agrobanka quickly threw in its cards and joined the Boys. By late October, flush with cash, the Boys launched a barrage of five-second television ads and a mass mailing to small shareholders: thousands more shares came flooding in.

Working this time through a brokerage house called Motoinvest, they moved to attack the large investment funds.

The stakes Motoinvest and allied companies quietly acquired—often as little as 30 percent of a given fund—were enough to threaten fund managers with dismissal if they did not deliver.

The funds owned by Komerční Banka, the country's second-largest bank, paid out close to 900 million koruny (\$34 million) for the Boys to leave them alone.

"They terrified/terrorized Komerční into buying their own shares by threatening to rip apart their portfolio," says Jack Schrantz, an analyst with Prague brokers Wood & Co.

At Zivostenska Banka's First Investment Fund, managers are floating a new stock issue as a defensive move, hoping to stave off Motoinvest but diluting the holdings of friendly shareholders as well.

But the Credit Anstalt investment fund, managed jointly by the Austrian bank, is expected to sell out to Agrobanka, the Boys' vehicle for that attack.

At three smaller funds, the Boys have taken full control.

The entire operation has been highly leveraged, and now the Boys are using their control over Agrobanka to finalize their buyout of Pzenska Banka and take control of the loans they used to start the operation, closing the circle.

Loose Czech securities laws, which are expected to change next year, made their moves possible. Bloc share trades can be made off the exchange, little disclosure is required, and minority holders have few rights.

Often, blocs of choice listed stocks are traded at premiums of 10 to 100 percent over the quoted prices.

Those who can assemble such blocs can make a killing. Typically, analysts and brokers say, raiders and unscrupulous fund managers strip shares from their own funds at listed prices, then resell them in a bloc

at a vast premium. "Until fresh capital comes in, the whole Czech market is a kind of glorified shell game between banks and funds," said Mark Valenta, a banker with Raiffeisen Capital Investment.

Jan Svejnar, the University of Pittsburgh economist who conceived the Czech privatization program, said the market must become more transparent, but he credited the Boys with advancing the Czech economic transformation. "I think it's good; it's the consolidation of power with people who are capable of restructuring the firms," he said. "But it's a rough way to go about it."

MARTIN CURRIE GEFINOR FUND MANAGEMENT COMPANY
Société anonyme
 Registered office: 15, avenue Emile Reuter
 Luxembourg
 R.C. Luxembourg B 21 167

NOTICE TO THE HOLDERS OF SHARES IN SCOTTISH WORLD FUND

In consideration of the future reorganization of the Custodian Bank, the Management Regulations of Scottish World Fund has been amended and the prospectus has been updated consequently; the new documents will be available at the registered office of the Management Company, 15, avenue Emile Reuter, Luxembourg, December 21st, 1995.

Martin Currie Gefinor Fund Management Company S.A.
 Société Générale Alsacienne de Banque
 Luxembourg Branch

KCRC HONG KONG
 Kowloon-Canton Railway Corporation

QUALIFICATION OF TENDERERS WESTERN CORRIDOR RAILWAY PROJECT

The Kowloon-Canton Railway Corporation ("KCRC") intends to commence preliminary engineering for the Western Corridor Railway Project ("WCR").

The WCR Project is a 52 km double-track electrified railway system for passenger and freight services, comprising 11 stations, a maintenance depot and container freight facilities.

KCRC proposes to appoint qualified consultants to perform preliminary engineering for the Project in the following areas:

- Civil/Structural to include Architecture
- Town Planning and Traffic Impact Analysis for Property Development
- Tunnel Ventilation/Aerodynamics
- Safety/Reliability
- Light Rail Transit System Interfaces

A more detailed description of the preceding work activities will be included in Pre-qualification Questionnaire.

Requests for the Pre-qualification Questionnaire should be made on company letterhead by facsimile to the Kowloon-Canton Railway Corporation at (852) 2601-2671 no later than 6th January 1996. A Pre-qualification Questionnaire will be returned by courier.

KCRC will, at its sole discretion, evaluate responses to the Pre-qualification Questionnaire. Those organisations which KCRC determines to be suitably qualified will be invited to tender.

No communications in response to this advertisement will be accepted by KCRC except by facsimile at the above noted facsimile number.

Do walk on the grass.

Green keeping to the very highest standard. And a climate that allows you to play.

The thrill of discovery. Portugal

ICEP (Instituto de Turismo de Portugal) is the official body for the promotion of tourism in Portugal. It is located at Rua do Carmo, 11, 1200-001 Lisboa, Portugal. Tel: 213 10 10, Fax: 213 10 11, 213 10 12, 213 10 13, 213 10 14, 213 10 15, 213 10 16, 213 10 17, 213 10 18, 213 10 19, 213 10 20, 213 10 21, 213 10 22, 213 10 23, 213 10 24, 213 10 25, 213 10 26, 213 10 27, 213 10 28, 213 10 29, 213 10 30, 213 10 31, 213 10 32, 213 10 33, 213 10 34, 213 10 35, 213 10 36, 213 10 37, 213 10 38, 213 10 39, 213 10 40, 213 10 41, 213 10 42, 213 10 43, 213 10 44, 213 10 45, 213 10 46, 213 10 47, 213 10 48, 213 10 49, 213 10 50, 213 10 51, 213 10 52, 213 10 53, 213 10 54, 213 10 55, 213 10 56, 213 10 57, 213 10 58, 213 10 59, 213 10 60, 213 10 61, 213 10 62, 213 10 63, 213 10 64, 213 10 65, 213 10 66, 213 10 67, 213 10 68, 213 10 69, 213 10 70, 213 10 71, 213 10 72, 213 10 73, 213 10 74, 213 10 75, 213 10 76, 213 10 77, 213 10 78, 213 10 79, 213 10 80, 213 10 81, 213 10 82, 213 10 83, 213 10 84, 213 10 85, 213 10 86, 213 10 87, 213 10 88, 213 10 89, 213 10 90, 213 10 91, 213 10 92, 213 10 93, 213 10 94, 213 10 95, 213 10 96, 213 10 97, 213 10 98, 213 10 99, 213 10 100.

Wednesday's 4 p.m. Close
(Continued)

[illegible][illegible]

Stock	High	Low	Close	Change	Volume	Open	Previous Close
Alcoa	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Aluminum Co. of America	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Can. Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Cyanide & Chem. Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Lumber Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Paper Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Steel & Wire Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Sugar Ref. Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Talc Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Textile Mills Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Woolen Mills Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Zinc & Lead Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Iron Works Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Foundry & Machine Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Machine Works Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Tool & Die Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Wire & Cable Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Electric & Power Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Gas & Water Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Telephone & Telegraph Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Radio & Television Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Film & Photo Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Book & Paper Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Printing & Publishing Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Stationery & Office Supply Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Furniture & Home Goods Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Department Store Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Retail Store Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Wholesale Store Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Import & Export Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Shipping & Freight Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Air Freight Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Express & Mail Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Freight Forwarding Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Insurance Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Life Insurance Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Fire Insurance Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Marine Insurance Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Bond & Security Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2
Am. Trust & Savings Co.	48 1/4	47 3/4	47 3/4	+1/4	100,000	47 1/2	47 1/2

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姓名	性别	年龄	籍贯	民族	文化程度	职业	婚姻	子女	备注
王德胜	男	45	山东	汉族	高中	教师	已婚	2	
李秀英	女	38	河北	汉族	初中	工人	已婚	1	
张国强	男	52	河南	汉族	小学	农民	已婚	3	
刘小红	女	28	江苏	汉族	大学	医生	未婚	0	
陈为民	男	60	浙江	汉族	小学	退休	已婚	2	
赵大刚	男	35	湖北	汉族	高中	工程师	已婚	1	
孙丽娟	女	42	湖南	汉族	初中	售货员	已婚	2	
周建民	男	55	四川	汉族	小学	农民	已婚	3	
吴小芳	女	30	广东	汉族	大学	程序员	未婚	0	
郑为民	男	48	广西	汉族	高中	工人	已婚	1	
冯大刚	男	58	福建	汉族	小学	退休	已婚	2	
李秀英	女	35	江西	汉族	初中	售货员	已婚	1	
张国强	男	40	山西	汉族	高中	教师	已婚	2	
刘小红	女	25	陕西	汉族	大学	医生	未婚	0	
陈为民	男	50	甘肃	汉族	小学	农民	已婚	3	
赵大刚	男	38	宁夏	汉族	高中	工人	已婚	1	
孙丽娟	女	45	青海	汉族	初中	售货员	已婚	2	
周建民	男	53	新疆	汉族	小学	退休	已婚	2	
吴小芳	女	32	内蒙古	汉族	大学	程序员	未婚	0	
郑为民	男	47	黑龙江	汉族	高中	工人	已婚	1	
冯大刚	男	57	吉林	汉族	小学	退休	已婚	2	
李秀英	女	36	辽宁	汉族	初中	售货员	已婚	1	
张国强	男	41	山东	汉族	高中	教师	已婚	2	
刘小红	女	26	河北	汉族	大学	医生	未婚	0	
陈为民	男	51	河南	汉族	小学	农民	已婚	3	
赵大刚	男	39	江苏	汉族	高中	工人	已婚	1	
孙丽娟	女	46	湖北	汉族	初中	售货员	已婚	2	
周建民	男	54	湖南	汉族	小学	退休	已婚	2	
吴小芳	女	33	四川	汉族	大学	程序员	未婚	0	
郑为民	男	49	广东	汉族	高中	工人	已婚	1	
冯大刚	男	59	广西	汉族	小学	退休	已婚	2	
李秀英	女	37	福建	汉族	初中	售货员	已婚	1	
张国强	男	42	江西	汉族	高中	教师	已婚	2	
刘小红	女	27	山西	汉族	大学	医生	未婚	0	
陈为民	男	52	陕西	汉族	小学	农民	已婚	3	
赵大刚	男	40	甘肃	汉族	高中	工人	已婚	1	
孙丽娟	女	47	宁夏	汉族	初中	售货员	已婚	2	
周建民	男	55	青海	汉族	小学	退休	已婚	2	
吴小芳	女	34	新疆	汉族	大学	程序员	未婚	0	
郑为民	男	50	内蒙古	汉族	高中	工人	已婚	1	
冯大刚	男	60	黑龙江	汉族	小学	退休	已婚	2	
李秀英	女	38	吉林	汉族	初中	售货员	已婚	1	
张国强	男	43	辽宁	汉族	高中	教师	已婚	2	
刘小红	女	28	山东	汉族	大学	医生	未婚	0	
陈为民	男	53	河北	汉族	小学	农民	已婚	3	
赵大刚	男	41	河南	汉族	高中	工人	已婚	1	
孙丽娟	女	48	江苏	汉族	初中	售货员	已婚	2	
周建民	男	56	湖北	汉族	小学	退休	已婚	2	
吴小芳	女	35	湖南	汉族	大学	程序员	未婚	0	
郑为民	男	51	四川	汉族	高中	工人	已婚	1	
冯大刚	男	61	广东	汉族	小学	退休	已婚	2	
李秀英	女	39	广西	汉族	初中	售货员	已婚	1	
张国强	男	44	江西	汉族	高中	教师	已婚	2	
刘小红	女	29	山西	汉族	大学	医生	未婚	0	
陈为民	男	54	陕西	汉族	小学	农民	已婚	3	
赵大刚	男	42	甘肃	汉族	高中	工人	已婚	1	
孙丽娟	女	49	宁夏	汉族	初中	售货员	已婚	2	
周建民	男	57	青海	汉族	小学	退休	已婚	2	
吴小芳	女	36	新疆	汉族	大学	程序员	未婚	0	
郑为民	男	52	内蒙古	汉族	高中	工人	已婚	1	
冯大刚	男	62	黑龙江	汉族	小学	退休	已婚	2	
李秀英	女	40	吉林	汉族	初中	售货员	已婚	1	
张国强	男	45	辽宁	汉族	高中	教师	已婚	2	
刘小红	女	30	山东	汉族	大学	医生	未婚	0	
陈为民	男	55	河北	汉族	小学	农民	已婚	3	
赵大刚	男	43	河南	汉族	高中	工人	已婚	1	
孙丽娟	女	50	江苏	汉族	初中	售货员	已婚	2	
周建民	男	58	湖北	汉族	小学	退休	已婚	2	
吴小芳	女	37	湖南	汉族	大学	程序员	未婚	0	
郑为民	男	53	四川	汉族	高中	工人	已婚	1	
冯大刚	男	63	广东	汉族	小学	退休	已婚	2	
李秀英	女	41	广西	汉族	初中	售货员	已婚	1	
张国强	男	46	江西	汉族	高中	教师	已婚	2	
刘小红	女	31	山西	汉族	大学	医生	未婚	0	
陈为民	男	56	陕西	汉族	小学	农民	已婚	3	
赵大刚	男	44	甘肃	汉族	高中	工人	已婚	1	
孙丽娟	女	51	宁夏	汉族	初中	售货员	已婚	2	
周建民	男	59	青海	汉族	小学	退休	已婚	2	
吴小芳	女	38	新疆	汉族	大学	程序员	未婚	0	
郑为民	男	54	内蒙古	汉族	高中	工人	已婚	1	
冯大刚	男	64	黑龙江	汉族	小学	退休	已婚	2	
李秀英	女	42	吉林	汉族	初中	售货员	已婚	1	
张国强	男	47	辽宁	汉族	高中	教师	已婚	2	
刘小红	女	32	山东	汉族	大学	医生	未婚	0	
陈为民	男	57	河北	汉族	小学	农民	已婚	3	
赵大刚	男	45	河南	汉族	高中	工人	已婚	1	
孙丽娟	女	52	江苏	汉族	初中	售货员	已婚	2	
周建民	男	60	湖北	汉族	小学	退休	已婚	2	
吴小芳	女	39	湖南	汉族	大学	程序员	未婚	0	
郑为民	男	55	四川	汉族	高中	工人	已婚	1	
冯大刚	男	65	广东	汉族	小学	退休	已婚	2	
李秀英	女	43	广西	汉族	初中	售货员	已婚	1	
张国强	男	48	江西	汉族	高中	教师	已婚	2	
刘小红	女	33	山西	汉族	大学	医生	未婚	0	
陈为民	男	58	陕西	汉族	小学	农民	已婚	3	
赵大刚	男	46	甘肃	汉族	高中	工人	已婚	1	
孙丽娟	女	53	宁夏	汉族	初中	售货员	已婚	2	
周建民	男	61	青海	汉族	小学	退休	已婚	2	
吴小芳	女	40	新疆	汉族	大学	程序员	未婚	0	
郑为民	男	56	内蒙古	汉族	高中	工人	已婚	1	
冯大刚	男	66	黑龙江	汉族	小学	退休	已婚	2	
李秀英	女	44	吉林	汉族	初中	售货员	已婚	1	
张国强	男	49	辽宁	汉族	高中	教师	已婚	2	
刘小红	女	34	山东	汉族	大学	医生	未婚	0	
陈为民	男	59	河北	汉族	小学	农民	已婚	3	
赵大刚	男	47	河南	汉族	高中	工人	已婚	1	
孙丽娟	女	54	江苏	汉族	初中	售货员	已婚	2	
周建民	男	62	湖北	汉族	小学	退休	已婚	2	
吴小芳	女	41	湖南	汉族	大学	程序员	未婚	0	
郑为民	男	57	四川	汉族	高中	工人	已婚	1	
冯大刚	男	67	广东	汉族	小学	退休	已婚	2	
李秀英	女	45	广西	汉族	初中	售货员	已婚	1	
张国强	男	50	江西	汉族	高中	教师	已婚	2	
刘小红	女	35	山西	汉族	大学	医生	未婚	0	
陈为民	男	60	陕西	汉族	小学	农民	已婚	3	
赵大刚	男	48	甘肃	汉族	高中	工人	已婚	1	
孙丽娟	女	55	宁夏	汉族	初中	售货员	已婚	2	
周建民	男	63	青海	汉族	小学	退休	已婚	2	
吴小芳	女	42	新疆	汉族	大学	程序员	未婚	0	
郑为民	男	58	内蒙古	汉族	高中	工人	已婚	1	
冯大刚	男	68	黑龙江	汉族	小学	退休	已婚	2	
李秀英	女	46	吉林	汉族	初中	售货员	已婚	1	
张国强	男	51	辽宁	汉族	高中	教师	已婚	2	
刘小红	女	36	山东	汉族	大学	医生	未婚	0	
陈为民	男	61	河北	汉族	小学	农民	已婚	3	
赵大刚	男	49	河南	汉族	高中	工人	已婚	1	
孙丽娟	女	56	江苏	汉族	初中	售货员	已婚	2	
周建民	男	64	湖北	汉族	小学	退休	已婚	2	
吴小芳	女	43	湖南	汉族	大学	程序员	未婚	0	
郑为民	男	59	四川	汉族	高中	工人	已婚	1	
冯大刚	男	69	广东	汉族	小学	退休	已婚	2	
李秀英	女	47	广西	汉族	初中	售货员	已婚	1	
张国强	男	52	江西	汉族	高中	教师	已婚	2	
刘小红	女	37	山西	汉族	大学	医生	未婚	0	
陈为民	男	62	陕西	汉族	小学	农民	已婚	3	
赵大刚	男	50	甘肃	汉族	高中	工人	已婚	1	
孙丽娟	女	57	宁夏	汉族	初中	售货员	已婚	2	
周建民	男	65	青海	汉族	小学	退休	已婚	2	
吴小芳	女	44	新疆	汉族	大学	程序员	未婚	0	
郑为民	男	60	内蒙古	汉族	高中	工人	已婚	1	
冯大刚	男	70	黑龙江	汉族	小学	退休	已婚	2	
李秀英	女	48	吉林	汉族	初中	售货员	已婚	1	
张国强	男	53	辽宁	汉族	高中	教师	已婚	2	
刘小红	女	38	山东	汉族	大学	医生	未婚	0	
陈为民	男	63	河北	汉族	小学	农民	已婚	3	
赵大刚	男	51	河南	汉族	高中	工人	已婚	1	
孙丽娟	女	58	江苏	汉族	初中	售货员	已婚	2	
周建民	男	66	湖北	汉族	小学	退休	已婚	2	
吴小芳	女	45	湖南	汉族	大学	程序员	未婚	0	
郑为民	男	61	四川	汉族	高中	工人	已婚	1	
冯大刚	男	71	广东	汉族	小学	退休	已婚	2	
李秀英	女	49	广西	汉族	初中	售货员	已婚	1	
张国强	男	54	江西	汉族	高中	教师	已婚	2	
刘小红	女	39	山西	汉族	大学	医生	未婚	0	
陈为民	男	64	陕西	汉族	小学	农民	已婚	3	
赵大刚	男	52	甘肃	汉族	高中	工人	已婚	1	
孙丽娟	女	59	宁夏	汉族	初中	售货员	已婚	2	
周建民	男	67	青海	汉族	小学	退休	已婚	2	
吴小芳	女	46	新疆	汉族	大学	程序员	未婚	0	
郑为民	男	62	内蒙古	汉族	高中	工人	已婚	1	
冯大刚	男	72	黑龙江	汉族	小学	退休	已婚	2	
李秀英	女	50	吉林	汉族	初中	售货员	已婚	1	
张国强	男	55	辽宁	汉族	高中	教师	已婚	2	
刘小红	女	40	山东	汉族	大学	医生	未婚	0	
陈为民	男	65	河北	汉族	小学	农民	已婚	3	
赵大刚	男	53	河南	汉族	高中	工人	已婚	1	
孙丽娟	女	60	江苏	汉族	初中	售货员	已婚	2	
周建民	男	68	湖北	汉族	小学	退休	已婚	2	
吴小芳	女	47	湖南	汉族	大学	程序员	未婚	0	
郑为民	男	63	四川	汉族	高中	工人	已婚	1	
冯大刚	男	73	广东	汉族	小学	退休	已婚	2	
李秀英	女	51	广西	汉族	初中	售货员	已婚	1	
张国强	男	56	江西	汉族	高中	教师	已婚	2	
刘小红	女	41	山西	汉族	大学	医生	未婚	0	
陈为民	男	66	陕西	汉族	小学	农民	已婚	3	
赵大刚	男	54	甘肃	汉族	高中	工人	已婚	1	
孙丽娟	女	61	宁夏	汉族	初中	售货员	已婚	2	
周建民	男	69	青海	汉族	小学	退休	已婚	2	
吴小芳	女	48	新疆	汉族	大学	程序员	未婚	0	
郑为民	男	64	内蒙古	汉族	高中	工人	已婚	1	
冯大刚	男	74	黑龙江	汉族	小学	退休	已婚	2	
李秀英	女	52	吉林	汉族	初中	售货员	已婚	1	
张国强	男	57	辽宁	汉族	高中	教师	已婚	2	
刘小红	女	42	山东	汉族	大学	医生	未婚	0	
陈为民	男	67	河北	汉族	小学	农民	已婚	3	
赵大刚	男	55	河南	汉族	高中	工人	已婚	1	
孙丽娟	女	62	江苏	汉族	初中	售货员	已婚	2	
周建民	男	70	湖北	汉族	小学	退休	已婚	2	
吴小芳	女	49	湖南	汉族	大学	程序员	未婚	0	
郑为民	男	65	四川	汉族	高中	工人	已婚	1	
冯大									

[The page contains dense vertical Chinese text arranged in columns.]

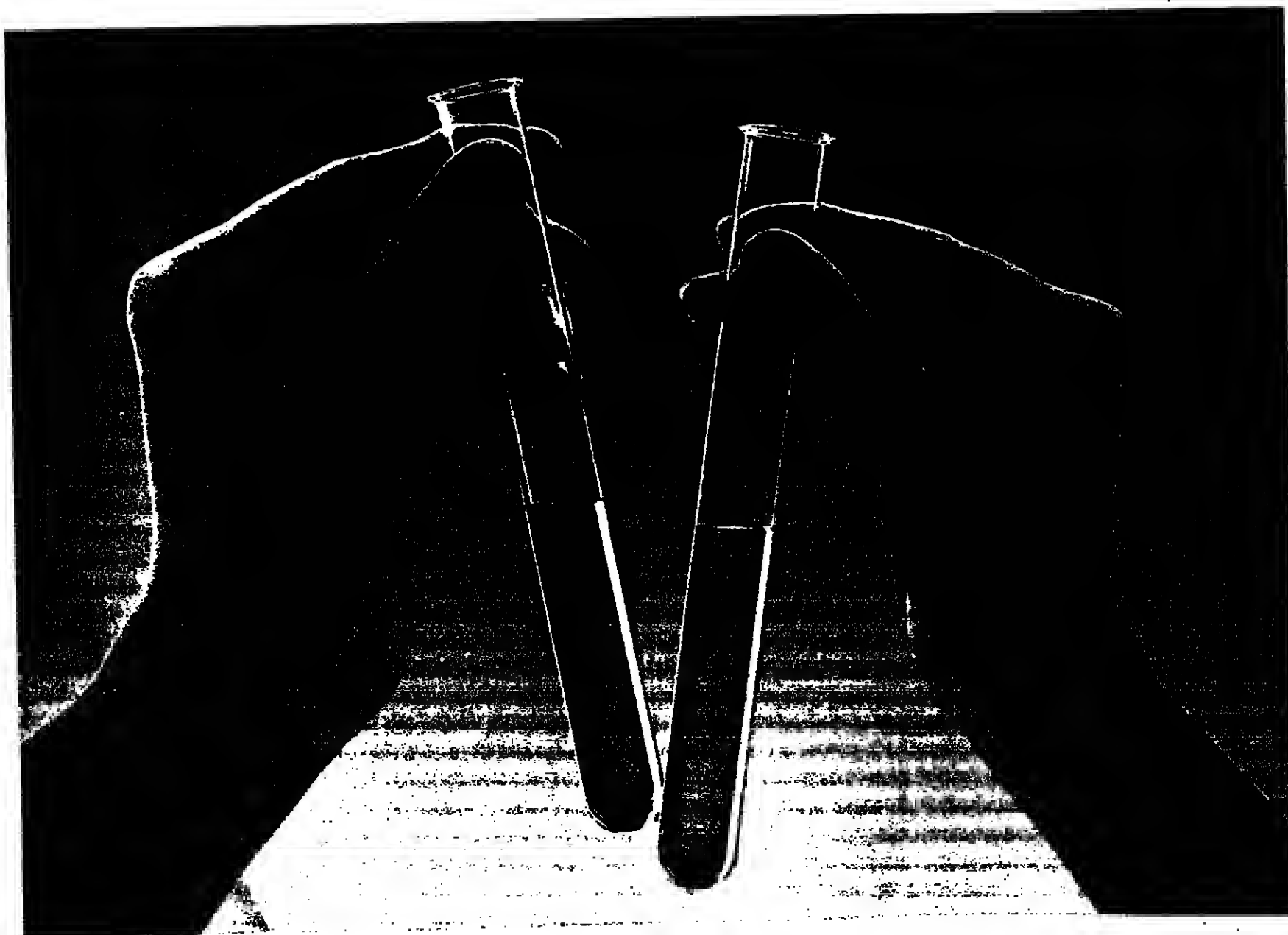
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Hoechst

WORLD ROUNDUP



Steffi Graf was the ITF women's player of the year again in 1995.

Double Winners

TENNIS Pete Sampras and Steffi Graf were named Wednesday as the International Tennis Federation's world champions for 1995. Sampras won the award for the third straight year, while Graf was named for the sixth time in the past nine years.

Sampras won Wimbledon and the U.S. Open this year and led the United States to victory in the Davis Cup final against Russia. Graf won all three grand slam tournaments she entered—the French Open, Wimbledon and the U.S.—and suffered only two defeats during the year. (Reuters)

Pakistan Crushes Kiwis

CRICKET Pakistan thrashed New Zealand in a one-day match by 54 runs in Wellington to take a 1-1 lead in the four-match series. Pakistan batted first and scored 261 for four wickets before bowling New Zealand out for 207 in 45 overs. Aamir Sohail and Inzamam-ul-Haq scored half centuries for Pakistan. (Reuters)

Cubs Re-Sign Grace

BASEBALL Mark Grace returned to the Chicago Cubs, and Jody Reed went back to the San Diego Padres. Grace agreed to a \$9.05 million, two-year deal Tuesday with the Cubs, while Reed signed for \$1.4 million for two years. Rod Beck agreed to a \$6 million, two-year contract with the San Francisco Giants, one of a half-dozen deals as the deadline approached for offering 1996 contracts to players on 40-man rosters. (AP)

NFL Agrees to Labor Pact

FOOTBALL The National Football League and its players union agreed Tuesday on a contract extension through the 2002 season. The agreement adds one year to the current contract, which ends after the 1999 season, with the option for two more. The agreement, in negotiation for more than a year, was held up by franchise moves. It must be ratified by three-quarters of the owners.

Carlton Haselrig, the suspended New York Jets guard missing since Nov. 27, is expected to be extradited to Pennsylvania after being arrested in Georgia. (AP)

Boxer Eyes the NBA

BOXING Roy Jones, the International Boxing Federation super middleweight champion, said that if Nigel Benn does not fight him, he will retire from boxing and begin a professional basketball career. (AP)



HELLO SAYONARA: The \$2 million U.S. yacht sailing through Sydney harbor Wednesday in practice for the Sydney-Hobart race, which starts on Tuesday.

Hi-Tech on High Seas for a Space Age Sailboat

REUTERS SYDNEY — For 20 years, sailors have been tried in vain to break the record for the Sydney-to-Hobart yacht race, despite the millions of dollars being spent on yacht design and construction.

But this year technology in the shape of a computer-designed, \$2 million U.S. maxi named Sayonara may finally beat treacherous weather and the 900 kilometers (400 miles) that separate Sydney from Hobart, on Australia's southern island, Tasmania.

Sayonara is the first of a new class of yacht, the ILC maxi. When it sets out on the race to Hobart next Tuesday, its crew will include Rupert Murdoch, the media tycoon, who last competed in the race 31 years ago.

Sayonara uses a carbon construction similar to the U.S. space shuttle, computer-molded sails of bulletproof kevlar and America's Cup deck layout.

"This is the first of a new generation of yachts and we really don't know its full potential," said the skipper, Geoff Stagg, a veteran of the Whitbread round-the-world race.

"It is a very, very sophisticated piece of equipment. It's a showcase of high technology, engineering and design."

Sayonara's narrower hull is made of foam sandwiched between layers of laminated carbon, which has only

recently been taken off a list of materials banned for use in ocean-racing yachts because of past failures at sea.

The use of carbon longitudinally stiffens the 23.8 meter (78-foot) yacht, an advantage when it slams headlong into the rough conditions in the Tasman Sea. But it leaves the boat lighter and more responsive.

"It sails like a dinghy, not like a dump truck," says Sayonara's sail master, Bill Erkelens. "It's very responsive. You can feel the difference in a sail trim without the use of high-tech computers."

Sayonara can change its configurations of displacement and sail plan for different race conditions, without changing its keel and rudder.

For the Sydney-to-Hobart voyage, Sayonara has installed a new sailing rig and had 2,268 kilograms (5,000 pounds) of lead added to its hull, giving the boat a displacement of 24,440 kilograms (53,880 pounds).

Sayonara's sails were made using a computer controlled molding process, with a mylar core and kevlar layers increasing in areas of greatest wind pressure. This allows a seamless sail, no stitches, and a near perfect shape.

The deck layout has been copied from the latest America's Cup yachts, using hydraulically operated jib cars and lightweight fittings.

"All the gear on deck is the same technology as

America's Cup — it's just street legal," Erkelens, the yacht's sail master, said.

In its first outing on Sydney Harbor last week, Sayonara notched an impressive 10.2 knots on a reach in only 8 to 10 knots of wind. The U.S. maxi ketch Kialoa averaged 10.2 knots sailing downwind in setting the Hobart-Sydney race record — two days, 14 hours, 36 minutes, 56 seconds — in 1975.

Race officials have made Sayonara the even money favorite, but can the yacht, even with a 23-strong crew stacked with America's Cup and Whitbread sailors, break the race record?

The 1983 America's Cup winning skipper, John Bertrand of Australia, says, "Certainly on paper this maxi will be faster than any other maxi that has ever raced, but the thing that is variable out there is weather."

The Sydney-to-Hobart race is notorious for bruising yachting egos, and turning multimillion dollar yachts into splintered wrecks. A southerly gale against the southerly running current in eastern Australia can produce disaster in the Tasman Sea. In 1993 more than half the fleet was forced to retire, many with their hulls cracked.

Stagg, a New Zealander who has competed in 13 Sydney-to-Hobart races, is realistic. "We are after that very elusive record set by Kialoa in 1975," he says, "but first you must finish the race."

Lucky Bounces Keep Alive Devils' Jinx on Flyers

THE ASSOCIATED PRESS The fans hardly warmed their seats when Philadelphia scored, and before they even finished announcing that goal, the Flyers had another.

Soon, Philadelphia had a two-man advantage.

Another long night for New Jersey? Not quite. Even when the Devils are

NHL ROUNDUP

going badly, they seem to find a way to beat the Flyers. All the Devils needed Tuesday night was a couple of lucky bounces and the Flyers defenseman Chris Therien.

A pass by Therien bounced off the skate of the Devils center, Petr Sykora, for the tying goal, and a shot by Bill Guerin off Therien's skate landed in the net at 2:13 of overtime, giving the Devils a 5-4 victory Tuesday night. The victory was only the

Devils' second in eight games, but it was their third in as many games against Philadelphia.

The loss at New Jersey snapped the Flyers' three-game winning streak and it came in a game in which Philadelphia blew leads of 2-0, 3-2 and 4-3. Even more distressing was that the Flyers squandered a full two-minute, two-man advantage shortly after jumping to the 2-0 lead.

Eric Lindros put them ahead 4-3 by converting a Sykora giveaway at 8:06 of the final period.

With the clock winding down, Therien got the puck behind his net and passed toward the side boards. But it hit Sykora's skate near the goal line, and shot between the goaltender, Ron Hextall, and the goalpost.

The game-winner came with Flyers defenseman Karl Dykhus in the penalty box for holding. Guerin skated into the Flyers' zone and shot from just above the right

circle. It hit Therien's skate and went in the net, leaving Hextall with nothing to do but slam his stick into the goalpost.

"That's a play coach tries to tell you, deflect their shots," Therien said. "I deflected it right into our net."

Valeri Zelepukin and Randy McKay also scored for the Devils. Pat Falloon scored twice for Philadelphia, which also got early goals from Mikael Renberg and Lindros.

Sharks 7, Mighty Ducks 4 Owen Nolan had a career-high four goals and added an assist as San Jose snapped a three-game losing streak by winning at Anaheim.

The victory was the Sharks' fourth in nine games under their interim coach, Jim Wilkey, one more than they had in 25 games under Kevin Constantine.

Penguins 7, Flames 1 Mario Lemieux had a goal and three assists as Pittsburgh beat Calgary before the Penguins' smallest home crowd in nearly 10 years. Attendance was just 7,170 because of a snowstorm.

Jaromir Jagr had a goal and two assists, and Ron Francis had three assists as the Penguins won their 10th in 12 games.

Lightning 6, Jets 3 Chris Gratton's power-play goal broke a tie, and Tampa Bay set a team record with six third-period goals against Winnipeg.

Shots 4, Islanders 1 Shayne Corson had two goals and an assist, and Grant Fuhr allowed just one goal for the 11th time this season for St. Louis.

Fuhr, who has started every game, tied his career high with his 33d consecutive start, a mark he also reached in the 1987-88 season with the Edmonton Oilers.

Austrian Women Stay in Control

REUTERS VEYSONNAZ, Switzerland — Alexandra Meissnitzer continued her brilliant form on Wednesday with another victory in a women's Alpine skiing World Cup super-giant slalom.

The Austrian clocked one minute 28.72 seconds on the 1,640-meter course of artificial snow to notch her second consecutive super-giant success after her first World Cup victory in Val d'Isere early this month.

It was also her fifth trip to the podium in as many races.

Heidi Zurbiggen of Switzerland was second with 1:28.90 with Michaela Dorfmeister of Austria, winner of a downhill Saturday in St. Anton, Austria, taking third place with 1:29.17.

The victory took Meissnitzer to the head of the overall standings with 448 points. The previous leader, Karja Seizinger of Germany, who came in fifth Wednesday, slipped to second on 405.

The race was marred by an accident involving Florence Massada of France, who fell heavily after the finish and had to be taken to a hospital by helicopter. The race was stopped for 20 minutes.

Meissnitzer, 23, said: "I feel in the form of my life but I still cannot believe that I have been on the podium five times in a row."

Meissnitzer, who started sixth, said: "I was not sure I had won today till the end as the visibility had got somewhat better and there were a lot of good skiers left to come."

All the Swiss hopes were pinned on



Alexandra Meissnitzer racing on the way to a victory in Veysonnaz.

Zurbiggen after Heidi Zeller-Bühler failed to start because of a training injury Tuesday.

Defeat by just 0.18 seconds left Zurbiggen still chasing her first World Cup victory.

Seizinger posted the best intermediate time but made mistakes on the lower half of the slope. It was another great day for the Austrian women. They had taken the first three places in the second downhill in St. Anton on Sunday. Only Zurbiggen, who placed second, prevented another top-three sweep Wednesday and the Austrians took three of the top four spots.

CROSSWORD

ACROSS

- 1 Kind of wool
- 6 San —, Calif.
- 10 Ones making a scene
- 14 Let up, as a storm
- 15 Once follower

DOWN

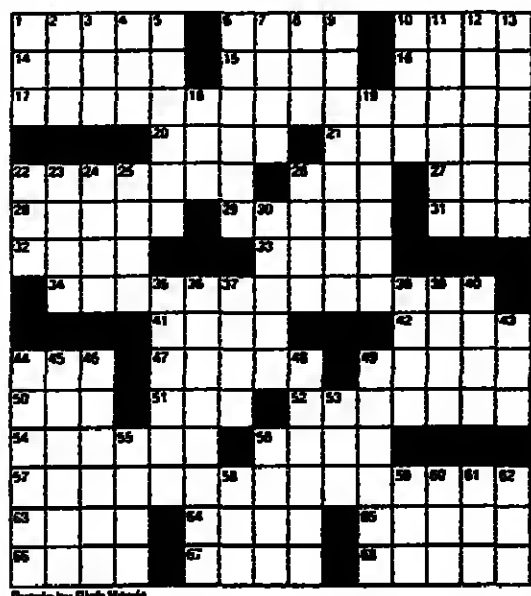
- 1 Head for the hills
- 2 Ally's group
- 3 Guy
- 4 Air conditioner
- 5 Yuletide, e.g.
- 6 Served on a panel, maybe

ACROSS

- 16 Lumberjack
- 17 Pamphlet
- 18 Writer's expertise
- 20 Communicate silently
- 21 Decorate lavishly
- 22 Incline

DOWN

- 23 Mars or Venus
- 24 Tangle
- 25 Vault feature
- 26 Troublemaker
- 27 Awkwardly
- 28 Gardener's need
- 29 Supermarket phenomenon
- 30 Studio technician's expertise
- 31 Needing irrigation
- 32 Like a jellyfish
- 33 Personality
- 34 Chest muscle
- 35 Barn top
- 36 They must be pitched
- 37 German pronoun
- 38 Barley brittle
- 39 Sought transportation in a way
- 40 Any
- 41 Not fully shut
- 42 Town planner's expertise
- 43 Listen up
- 44 Ancient Rome conqueror
- 45 Fix, as a copier
- 46 C.I.S. predecessor
- 47 English
- 48 Dennis the Menace's cat



C. New York Times/Edited by Will Shortz.

Solution to Puzzle of Dec. 20

ALPS SCRAM HEAD
RARE THETA AIDE
CREWDRIVER TROS
EGG RINDS TABLITI
DOODLE DIGIT
VORLE OUTIE EPI
OVID ESSES TRUT
GEN EXTOL SASSY
INFORCE LAPD
LOTUS POSTUM
SLIDES REPO ELI
NACIL ELFRELIANT
ANKIE MEDIA BRAT
PASS EASEL NYES

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(Continued From Page 4)

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SPORTS

When He's Needed, Jordan Is There

The Associated Press
After playing a supporting role for several games, Michael Jordan was back in his accustomed spot as the focal point of the streaking Chicago Bulls.

Jordan, who has let Scottie Pippen carry the load lately, scored 32 points as the Bulls

NBA ROUNDUP

beat injury-ravaged Dallas, 114-101, Tuesday night to extend their winning streak to 11 games.

Pippen, who averaged 31.5 points, 9.5 rebounds and eight assists in his previous four games, played only 29 minutes and left for good after the Bulls took an 81-72 lead with 1:25 left in the third quarter. He finished with 13 points, four rebounds and four assists.

"Scottie didn't have his game, so I did what I had to do," Jordan said.

Jordan, playing with a strained back and dislocated finger, was taken out with 8:42 to go as the Bulls finished a stretch of five games in seven nights.

"It was nice for us to get some rest at the end," Pippen said. "I didn't have a whole lot to give." Dallas' coach, Dick Motta, was ejected for arguing with the referee, Dan Crawford, with 6:32 left.

"We probably got fouled 10 times that they didn't call," said Motta, who missed the previous two games because of his father's death.

Tony Dumas scored 24 points for the Mavericks, who have lost 14 of 16 since a 5-1 start. Dallas played without its injured stars Jamal Mashburn and Jason Kidd.

Rockets 103, Suns 98 in Houston. Hakeem Olajuwon had 31 points and 17 rebounds as the Rockets overcame the loss of Clyde Drexler. Drexler was carried off the court on a stretcher early in the second period after colliding with Phoenix's forward Charles Barkley. Drexler has a deep bruise and is listed as day-to-day.

Cavaliers 100, Timberwolves 95 at Cleveland. Terrell Brandon scored a ca-

reer-high 32 points and the Cavs rallied in the fourth quarter to spoil Flip Saunders' debut as Minnesota's coach. Saunders, a two-time Continental Basketball Association coach of the year who grew up near Cleveland, replaced the fired Bill Blair.

Pistons 94, Raptors 82 at Grant Hill led Detroit to victory at Toronto with 26 points and 11 rebounds. After the Raptors pulled level at 72-72 on Damon Stoudamire's basket, the Pistons took control. Detroit shot only 41 percent from the field, but made 34 of 39 free throws.

Lakers 108, Bucks 105 Nick Van Exel's 24 points helped Los Angeles hold off the Bucks in Milwaukee. Marty Conlon scored a season-high 17 points; all in the fourth quarter, as the Bucks rallied to take a 100-95 lead. But Van Exel passed to Anthony Peeler for a three-pointer and then made a three-pointer of his own to put the Lakers ahead for good.

Grizzlies 94, SuperSonics 93 At Vancouver, Blue Edwards hit a three-pointer with 1:12 remaining and then sank two free throws to give the Grizzlies their first victory over a team with a winning record. Vancouver has won two of four after a 19-game losing streak.

Suns 111, Trail Blazers 103 David Robinson scored 31 points and Sean Elliott 27 as San Antonio rallied to beat visiting Portland. Robinson had 10 points and six rebounds in the final quarter as the Suns won their third straight following a three-game losing streak.

Bulls 109, Clippers 104 In Los Angeles, Juwan Howard scored 27 points and Chris Webber had 22 points and 12 rebounds for the Bulls. Brian Williams scored a season-high 33 points and grabbed 14 rebounds for the Clippers.

Warriors 102, Hornets 99 Rony Seikaly had 24 points and 19 rebounds as Golden State beat road-weary Charlotte. Seikaly's tip-in with 20 seconds left gave the Warriors the lead, and his two free throws with 4.3 seconds remaining clinched the victory.



The Dallas Mavericks stand back, giving Michael Jordan plenty of room to maneuver. Jordan scored 32 points in the Chicago Bulls' 114-101 victory.

N.Y. Boos Riley's Return Knicks Crush Heat to the Joy of Fans

By Mike Wise and Jason Diamos
New York Times Service

NEW YORK — Spike Lee, unofficial fan No. 1 at Madison Square Garden these days, was asked how he thought the Garden crowd would respond to the return of Pat Riley.

"They're going to be on him," said Lee before taking his court-side seat for Riley's first appearance since he jumped the New York Knicks to become a part-owner/general manager/head coach of the Miami Heat.

Riley was showered with boos when he made his entrance onto the Garden floor before the Knicks-Heat game Tuesday night. Riley responded by blowing kisses to the Garden crowd and waving for the Knicks faithful to increase the volume.

The boos increased when Riley's name was announced as opposed to a tremendous ovation for Don Nelson, the new Knicks coach. Among the boos for Riley, however, were a smattering of cheers.

And then, just before the opening tipoff, John Starks, Derek Harper and Patrick Ewing went over to shake their old coach's hand and give him a hug. The boos again were everywhere, but in the end, they were met with some more cheers.

"Typical New York," said Sandra Foreman from her perch in the top row of seats. "We wouldn't be New Yorkers if we didn't do it," said Foreman's friend, Sharon Murphy.

The New York Knicks did not triumph in a basketball game Tuesday night as much as the Garden crowd did in a bullfight.

The Knicks beat the Miami Heat convincingly, 89-70, ruling the inside and moving to 18-6 on the season.

Riley's Heat, without the injured Alonzo Mourning and Billy Owens, fell to 13-10 and lost for the seventh time in the past eight games.

When Charlie Ward, whom Riley used sparingly last season, entered the game in the second quarter, a fan called out, "Hey Pat, that's Charlie Ward." Ward finished with 10 points in 22 minutes. He made three of five

field goals, had three assists, two steals and provided a backcourt spark for the Knicks.

By the sound of the third-quarter horn, after Derek Harper had rolled in a three-pointer with Riley standing a few feet behind him — his arms folded across his chest, wearing a look of resignation — the crowd began to chant his name derisively: "Ri-ley, Ri-ley."

The Knicks led, 64-52, and in a defensive spirit like this one even Riley knew that a 12-point lead was as good as 20 heading into the fourth quarter. The crowd kept chanting, Riley slowly walked back to the bench.

Somehow, through all the summer controversy, the faked resignation, the print war with the Garden's president, Dave Checketts, Riley has supplanted Reggie Miller as New York's favorite basketball villain.

Riley was greeted with placards ranging from "Pat Who?" to "Riley Coyote" and "Nelson Dresses Better Too!"

"Reading his book, 'The Winner Within,' he writes that his father told him, 'Son, there's a time when a man has to be a man,'" said Lee. "His own words of wisdom should apply to him. He should have faced the media and the fans instead of resigning by fax."

Bob Gutkowski, the former president of the Garden, said he was present mainly for the spectacle of Riley's return.

"I think the fans were hurt," Gutkowski said. "One, because Pat decided to leave and two, because they were not crazy with the way he left. But the most important thing was that Pat Riley gave the city of New York four exciting years. And once you get beyond the hurt, you should be thankful for that."

At the end Riley walked off the floor to a chorus of boos. But his staying charisma was snot out.

"Pat's a stud, I like him," said Nancy Jewell, who was watching the game with her friend, Kathryn McCarthy.

"I kind of liked the way the boos were overcome by the cheers," added McCarthy.

SCOREBOARD

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

Team	W	L	Pct	GB
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New York	18	4	.818	—
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Orlando	18	4	.818	—
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Atlanta	12	10	.545	5
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Washington	12	10	.545	5
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Boston	11	11	.500	6
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New Jersey	9	12	.429	7
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Philadelphia	4	17	.190	12½
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Chicago	21	2	.913	—
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Indiana	18	4	.818	—
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Cleveland	12	11	.522	9
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Albany	11	12	.476	10
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Detroit	10	13	.435	11
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Minnesota	7	14	.333	13
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Toronto	9	18	.333	14½
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Utah	1	20	.038	—
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San Antonio	14	7	.667	2½
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Charlotte	13	14	.481	3
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Dallas	7	15	.316	10
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Memphis	4	15	.267	10½
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Los Angeles	7	18	.280	14½
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Portland	1	21	.048	—
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Seattle	15	7	.682	—
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San Jose	15	8	.652	16
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Golden State	12	12	.500	20
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Phoenix	9	12	.429	21
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San Diego	9	14	.393	22
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LA Clippers	6	14	.300	23
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San Francisco	1	21	.048	—
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Denver	23	2	.913	—
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Toronto	19	23	.452	—
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LA Lakers	14-15	26	.347	—
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Sacramento	9-10	19	.316	—
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San Jose	9-10	19	.316	—
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Portland	9-10	19	.316	—
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Seattle	9-10	19	.316	—
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San Francisco	9-10	19	.316	—
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Golden State	9-10	19	.316	—
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Phoenix	9-10	19	.316	—
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San Diego	9-10	19	.316	—
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LA Clippers	9-10	19	.316	—
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San Francisco	9-10	19	.316	—
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Denver	9-10	19	.316	—
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Toronto	9-10	19	.316	—
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LA Lakers	9-10	19	.316	—
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Sacramento	9-10	19	.316	—
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Golden State	9-10	19	.316	—
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Phoenix	9-10	19	.316	—
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Golden State	9-10	19	.316	—
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Washington	12	10	.545	5
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Boston	11	11	.500	6
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New Jersey	9	12	.429	7
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Philadelphia	4	17	.190	12½
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Chicago	21	2	.913	—
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Indiana	18	4	.818	—
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Cleveland	12	11	.522	9
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Albany	11	12	.476	10
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Detroit	10	13	.435	11
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Minnesota	7	14	.333	13
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Toronto	9	18	.333	14½
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Utah	1	20	.038	—
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San Antonio	14	7	.667	2½
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Charlotte	13	14	.481	3
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Dallas	7	15	.316	10
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Memphis	4	15	.267	10½
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Los Angeles	7	18	.280	14½
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Portland	1	21	.048	—
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Seattle	15	7	.682	—
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San Jose	15	8	.652	16
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Golden State	12	12	.500	20
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Phoenix	9	12	.429	21
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San Diego	9	14	.393	22
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LA Clippers	6	14	.300	23
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San Francisco	1	21	.048	—
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Denver	23	2	.913	—
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Toronto	19	23	.452	—
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LA Lakers	14-15	26	.347	—
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Sacramento	9-10	19	.316	—
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San Jose	9-10	19
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